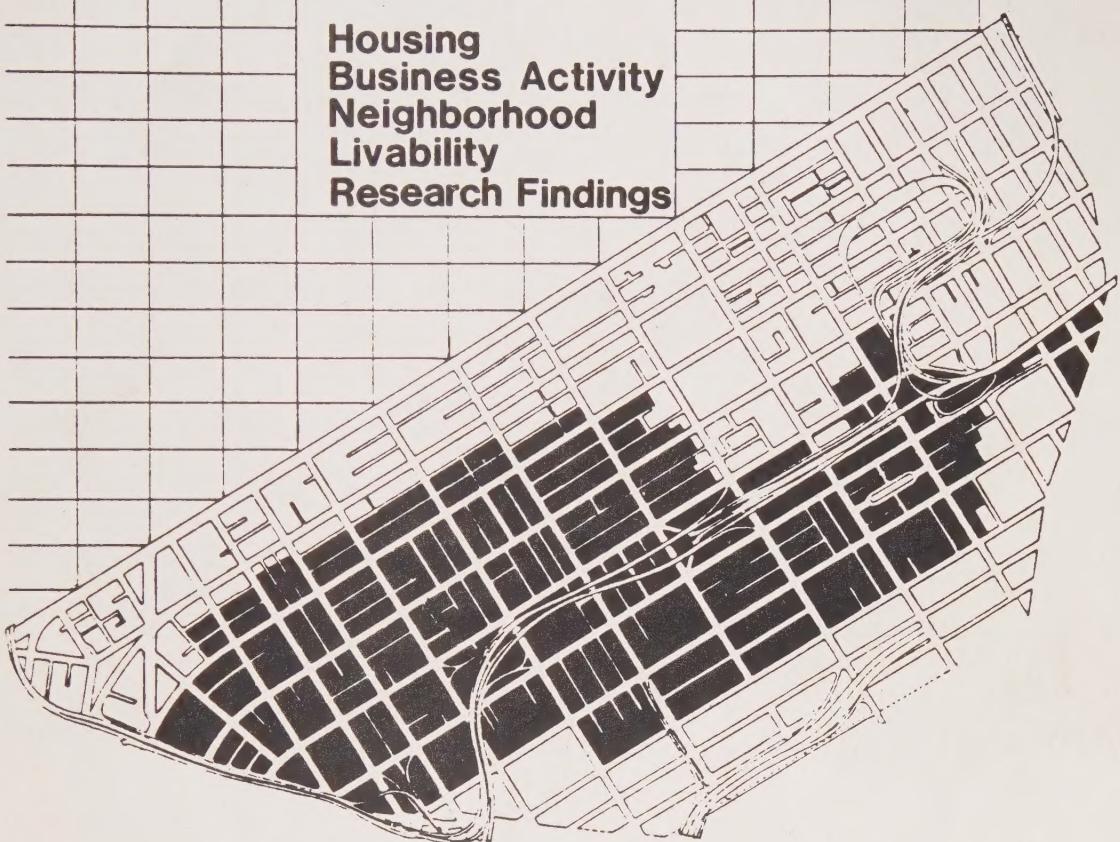


San Francisco
Department of
City Planning
March 1985

SOUTH OF MARKET REZONING STUDY

Housing
Business Activity
Neighborhood
Livability
Research Findings



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EXECUTIVE SUMMARY

The South of Market Rezoning Study is a planning analysis which, over the past eight months, has identified and examined how the South of Market functions within the City's overall economic, social and cultural environment, as well as how it functions for the people who live, work, visit and do business there. The study identified existing community characteristics, problems and amenities and examined various zoning strategies for ameliorating some of these problems and preserving existing community amenities and resources.

This report presents the major findings of the study's examination of existing community characteristics -- who lives and works there, what are their space (shelter) needs, how they perceive their neighborhood environment, and what are their plans for the future.

The South of Market (SOM) is unique in its mixture of people and business activities. There are over 10,000 people residing in approximately 5,000 dwelling units. In addition, there are an inestimable number of artists living and working in industrial loft studios and an even larger yet inestimable number of "homeless" street people who reside in various forms of spontaneous shelters throughout the western South of Market.

There are over 3,000 businesses located within the industrially-zoned lands south of Folsom Street. Although these businesses, like the residents, are very diverse, they do share some similarities. They are generally small, healthy and expanding businesses with less than 20 employees; are service or light industrial businesses; are located in spaces of less than 10,000 sq.ft.; are "rent sensitive" (cannot afford much higher rents); are "location sensitive" (need to be close to their downtown clients, other ancillary businesses in the SOM, or freeway access); and have been in the South of Market for over 10 or 20 years, and wish to stay.

The resident population of the South of Market, taken together, form a unique medley of cultures and lifestyles. The majority of the South of Market households are low-income; are rent sensitive; are service workers or are on pensions or other fixed incomes; live in small units with no private open space; walk or ride transit to work in the City's visitor (tourist) or office districts; and perceive the South of Market as their permanent home, and wish to stay.

The South of Market physical environment is generally pleasant, featuring low-scale, pedestrian-oriented building forms; a warm and wind- and fog-free microclimate; close proximity to the City's major cultural and employment centers and the Bay waterfront; and features attractive architecture and sound housing and commercial building stock.

The South of Market is, however, deficient in some community services such as transit and open space resources, and is deficient in some private maintenance such as cosmetic improvements and painting of flats and apartments, rodent control, and trash removal. These deficiencies are striking enough to mask or overshadow the area's attractive features to most of the City's residents and visitors. Consequently, the South of Market has a rather poor image as an

attractive neighborhood. Most people don't mind visiting the South of Market, but wouldn't want to live there. Undeniably, the South of Market is a high need area for neighborhood improvements. It is also an area experiencing tremendous pressures for change and development, particularly from the City's business community.

The following report will describe the SOM neighborhood, resident and business characteristics, and development pressures. In doing so, we hope the reader will gain a better understanding of what the community is and how it works. The Department of City Planning will use all the information gathered throughout the planning process to develop goals, plan policies and permanent zoning controls which would guide future development in the South of Market.

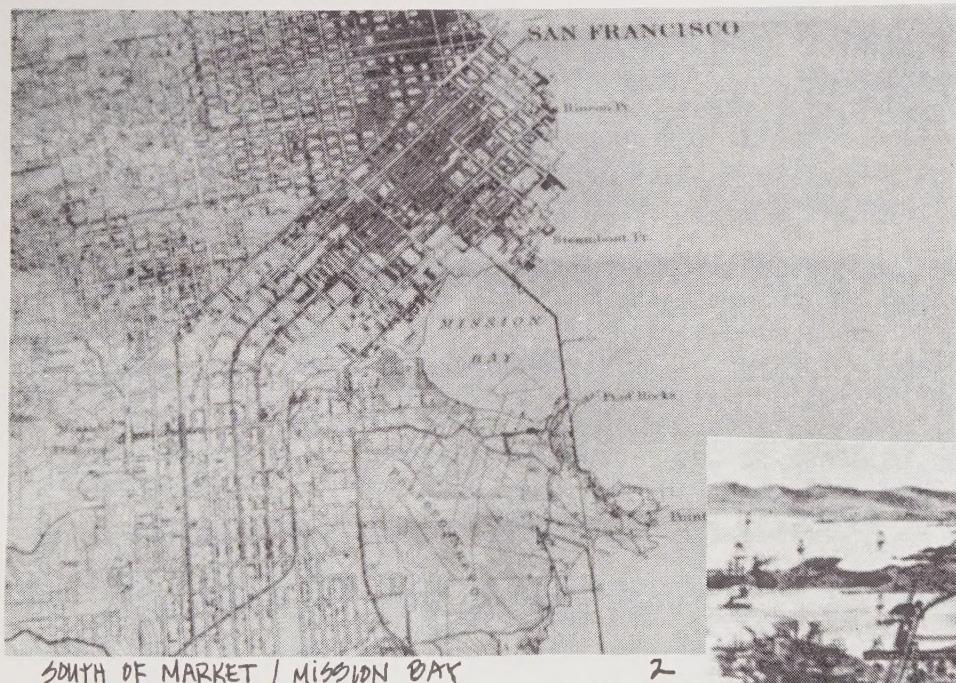


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FINDINGS

A. HISTORY OF THE SOUTH OF MARKET

The South of Market has always been a mixed use commercial, industrial and residential neighborhood. This community was small in its early day (circa 1847), being surrounded by Mission Creek and its marshlands on the west (approximately Fifth Street today), Yerba Buena and Mission Bay Cove to the south, and the San Francisco Bay waterfront to the east. It was in the South of Market (in an area between First and Third and Market to Howard Streets known as "Happy Valley" and "Pleasant Valley") that early Gold Rush settlers and Chinese immigrants pitched their tents and opened shops to serve the city's burgeoning residential and business community. Because of its easy access to shipping facilities, the South of Market waterfront became the city's first major manufacturing and industrial district. By the early 1850's, Yerba Buena Cove was being filled to accommodate industrial expansion along the waterfront.

Residents of Happy and Pleasant Valley were forced to relocate as the sandhills upon they lived were used as fill for the new industrial lands. Instead of abandoning the South of Market, people simply moved into areas west and southwest, filling in the creek and marshlands there. The area between Third, Fifth, Mission and Folsom Streets became the heart of the working class community. A number of small business and crafts persons worked in wood frame storefront shops and lived in flats or apartments above.

The South of Market area flourished as a mixed use community. Housing over shops and retail and business service activities were tucked into blocks along with smokestack factories and single-family homes.



Folsom St. in foreground; Second St. at right; looking north. Circa 1854

Surprisingly, within the midst of this industrial and working class residential neighborhood lay one of the city's wealthiest residential districts -- the Rincon Hill and South Park cluster of mansions and elegant homes along Second Street which became, in the 1860's, one of the city's most fashionable promenades. Some of the city's most influential and wealthy citizens resided there. But even these families could not stop the tremendous pressures for industrial expansion which cut right through their neighborhood along Second Street. By the early 1870's, the wealthy abandoned the area for the newer, and much more exclusive, neighborhood of Nob Hill which had recently been made accessible for development by the extension of the commuter rail line.

In the period 1870-1906, Irish, English, German, and Jewish immigrants, both families and single men, came to the South of Market area in great numbers. The economic depressions in 1873 and 1893 brought many unemployed workers into the district. Third Street served as a center for small businesses looking for day workers. Hundreds of men would gather in the mornings looking to find a day's work at a nearby factory or farm.

By the early 1900's, there were nearly 62,000 people living in the area bounded by the Embarcadero, Eleventh Street, Market Street, and Bryant Street. The South of Market continued to have industries and small businesses intermixed with houses, flats, apartments, rooming houses, hotels, and entertainment facilities; the mixture of which served as a cohesive and orderly home for those who lived there.



Looking north from Rincon Hill, April 1906
Telegraph Hill in distance. SHOT TOWER, SE. CORNER, First and HOWARD STS.



RINCON HILL

BRYANT AND SECOND STREETS

Photo credit 6



SECOND STREET CUT THROUGH RINCON HILL, 1869

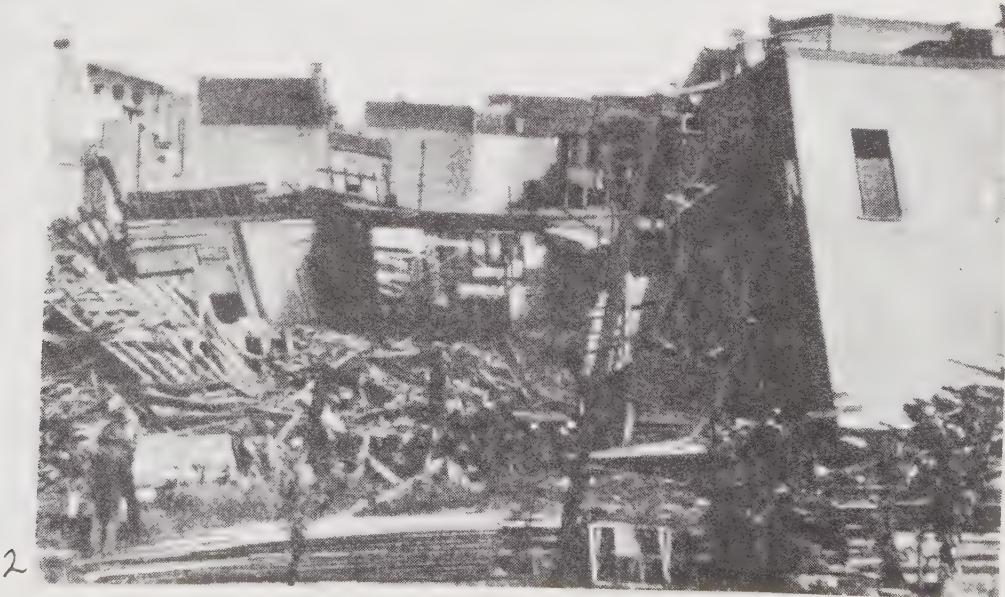
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On April 22, 1906 that sense of order was shattered and ruined by the earthquake and fires that followed.

As post-earthquake reconstruction proceeded, a change in the South of Market's prevailing land use patterns developed. Most of the area's residents moved further west and southwest into the Mission district. The South of Market resident population declined 60 percent from a pre-earthquake 62,000 to a post-earthquake 24,500. Most of the heavy (smokestack) industry relocated further south to the Bayshore area or across the Bay. Light industry and commerce relocated into multi-storied brick or reinforced concrete loft industrial or office buildings. Large lots which had previously been occupied by single-family homes or flats above storefronts were now being developed with apartment buildings or residential hotels. Although some traditional housing was rebuilt, flats, residential hotels and lodging houses became the predominant residential building form. As the South of Market continued to serve as the city's receiving grounds for unemployed workers and transients, this housing was able to accommodate the large number of unemployed who migrated to the South of Market during the Great Depression.



SOUTH OF MARKET
EARTHQUAKE DAMAGE
1906



Much of the area's single unemployed workers were absorbed by the military service or World War II-related industrial activity in the City and Bay Region. From 1940 to 1950, the South of Market (SOM) experienced a 37% increase in population, principally in the 18 to 24 year old male population group. From 1950 to 1960, over 9,000 living units were created in the SOM although only 35 residential structures were constructed. To accommodate the influx of returning servicemen and merchant marines, most of the SOM houses, flats and apartments were subdivided into smaller units and/or extra rooms were rented out. By 1970, the population was beginning to stabilize and the number of living units declined by 40% to 7,950 units. Since 1970, area population has declined by 42% and over 2,000 dwelling units have been lost due to condemnation, demolition and conversion to non-residential use.

Despite these changes, the South of Market continues to thrive as a vibrant business and residential community, providing both residential and commercial space for the city's artist, bohemian, and immigrant population as well as light industrial, retail, business service and "start-up" (incubator) business activities.

B. SOUTH OF MARKET LAND USE CHARACTERISTICS

Study Area

The South of Market encompasses about 660 net acres from Market Street south to Townsend and from the Bay shoreline east to the Central Freeway (see Figure 1).

Through the years this larger area has been identified by a number of its various subareas or neighborhoods such as the Happy Valley, Rincon Hill, South Park or "Skid Row" residential neighborhoods, and/or the South End and Mission Bay industrial areas. Even today the larger South of Market is identified by its respective subareas or neighborhoods: The Downtown C-3 district, Rincon Hill, South Beach, Yerba Buena Center (YBC), the Second Street corridor, South Park, Sixth Street, Folsom Street, portions of Showplace Square, and the very recent title for the broader mixed use neighborhood west of Fourth Street -- the Special Use District (South of Market Industrial and Housing Conservation Special Use District).

The South of Market (SOM) has always been and to this date remains a mixed use district. The historic pattern of industrial buildings juxtaposed within residential enclaves and vice-versa remains the predominant land use pattern throughout the South of Market.

Residential hotels and apartments are found above retail and office activities in even the most intensive commercial areas along the South of Market's northern edge. Flats and artist live/work studios are found within the most intensive industrial areas along the waterfront and southern and western edges of the SOM. Curious and unique to the South of Market is this uniform mixture of uses. Despite what may appear to the visitor as land use chaos, the South of Market has always, and continues to thrive as a healthy and vibrant, mixed use commercial, industrial, and "working class" residential community. Based on survey research, we know that the South of Market is perceived as a distinct, identifiable and cohesive neighborhood by the residents, workers, business operators, and customers who populate the area.

SOUTH OF MARKET REZONING STUDY - PLANNING CONTEXT

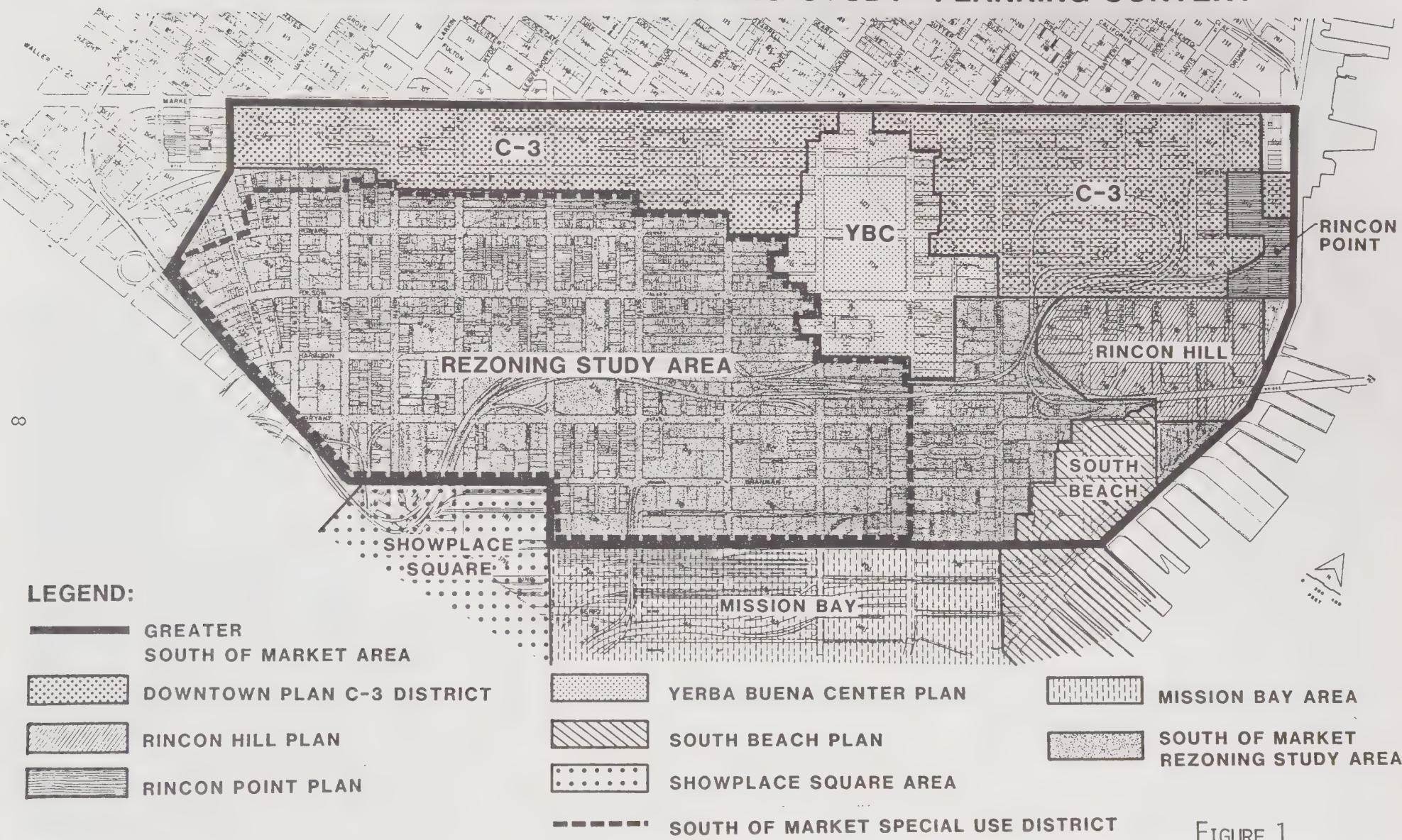


FIGURE 1

Existing Zoning Controls

The greater SOM is zoned for Downtown Commercial (C-3), Light and Heavy Industrial (M-1, M-2), and Residential (RH-2, RH-3, RM-1, RM-2, RC-2, RC-3) activities, with small pockets of public lands zoned P (see Figure 2 and Figures 3 and 7 of the Appendix). With the Downtown Commercial (C-3) District, high density office, office support, and retail activities are allowed. Within the industrial districts (M-1, M-2) medium density industrial and business service activities are allowed as well as higher intensity commercial activities such as retail and office. The M-1, M-2 districts are the most permissive zoning districts with the City; only housing and aircraft landing facilities are not permitted as a principal use in the industrial districts and require special permission from the Planning Commission (conditional use authorization).

There are a number of small pockets of residentially-zoned districts within the SOM. These zoning districts encompass the existing low scale, medium-density residential enclaves in the western SOM. Actual densities are somewhat higher than these zoning densities would presently allow. The zoning densities tend to reflect the density characteristics of the buildings as originally designed and constructed (2 to 3-story walk-up, 3 to 6 unit flats and small apartments) rather than the actual densities of these enclaves after the flats and apartments were subdivided into smaller units in the 1950's. In many cases these buildings appear architecturally to be 3 unit flats when actually they have 6 to 9 mail boxes and door buzzers which demonstrate the higher densities in the building.

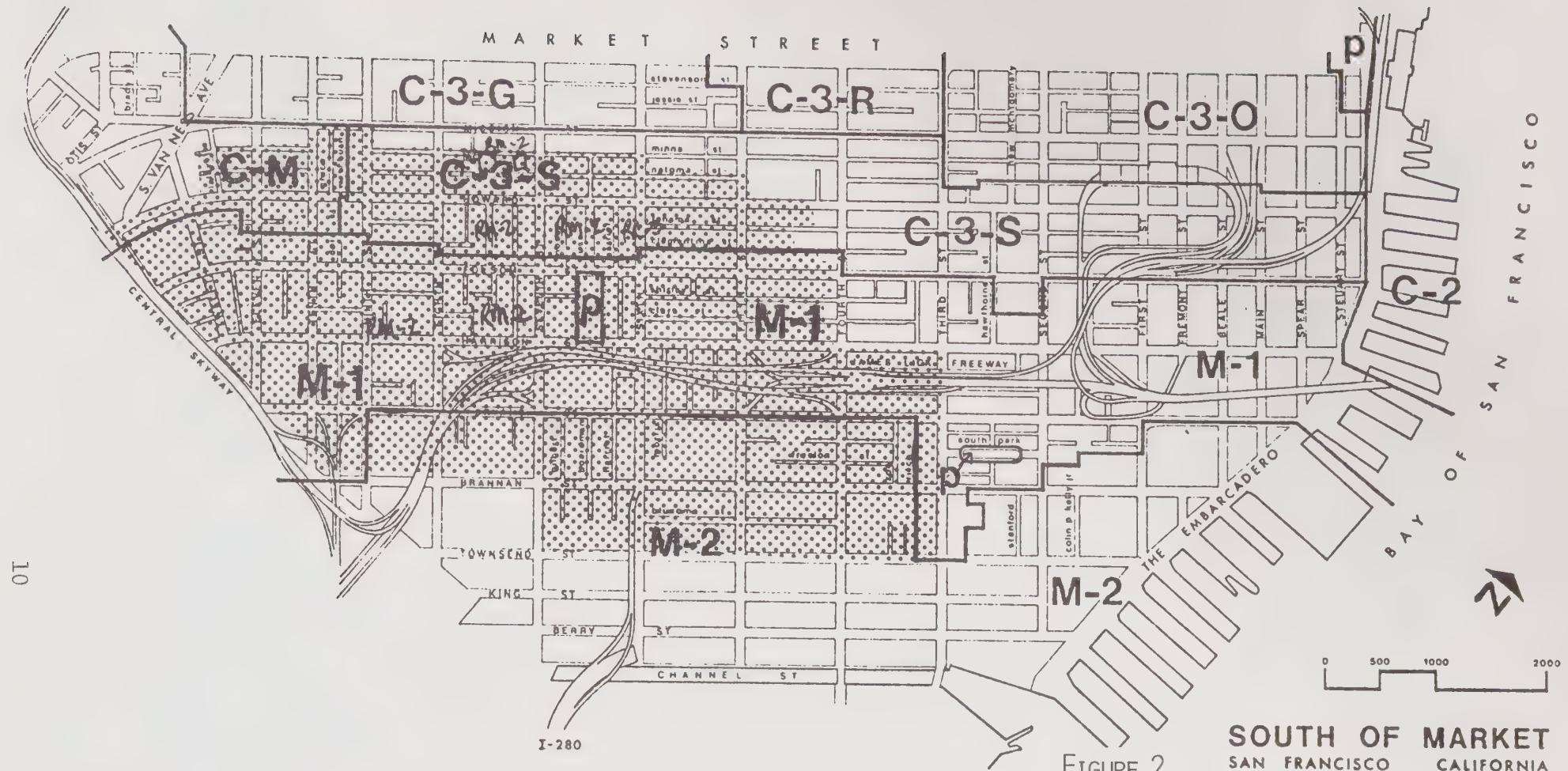
Height limits vary throughout the SOM. The higher intensity downtown commercial districts have higher height limits and the lower intensity industrial and residential districts have lower height limits (see Figure 3). Floor Area Ratio (FAR) limits control commercial densities. The FAR controls and description of land use controls for the SOM are listed in Table 1 of the Appendix.



1 SMOKESTACK FACTORIES AND high rise OFFICE ; housing AND industry



- MIXED USE DEVELOPMENT -



**SOUTH OF MARKET
SAN FRANCISCO CALIFORNIA**

EXISTING ZONING

- C-3-G: Downtown General Commercial--retail, offices, hotels, entertainment, clubs and institutions, and high-density residential uses.
- C-3-R: Downtown Retail--comparison shopper retail activity and direct consumer services.
- C-3-S: Downtown Support--support functions for the intensive downtown office core area such as wholesaling, printing, building services and parking.
- C-3-O: Downtown Office--high density office activity serving finance and other corporate headquarters and service industries.
- C-M: Heavy Commercial--wholesaling and business services activities as well as some light manufacturing and processing.
- M-1: Light Industrial--light industrial/manufacturing/processing activities requiring large spaces, rail or water transportation access, large utility lines and usually dependent upon truck transportation.
- M-2: Heavy Industrial--heavy industrial/manufacturing/processing activities requiring large spaces and usually requiring screening or other physical separation from less intense commercial, industrial or residential activities.
- P: Public--Structures and uses of governmental agencies such as parks, open spaces, public utilities, governmental buildings, or land under public ownership.

- RH-2: Residential, Two-Family--districts primarily devoted to one-family and two-family houses, with the latter commonly consisting of two large flats.
- RH-3: Residential, Three-Family--districts similar to RH-2, but where structures with three units are common in addition to the one- and two-family houses. The predominant form is large flats rather than apartments.
- RM-1: Residential, Low Density--these districts contain a mixture of houses, flats and some small apartment buildings.
- RM-2: Residential, Moderate Density--these districts contain a mixture of houses, flats and small apartment buildings similar to that of the RM-1 district, however the overall density of units is greater as there are a larger proportion of smaller apartment buildings located within the district.
- RC-2: Residential-Commercial Combined, Moderate Density--these districts provide for a mixture of moderate-density dwellings similar to those in RM-2 districts with supporting commercial uses at ground floor levels.
- RC-3: Residential-Commercial Combined, Medium Density--these districts provide for a mixture of medium-density dwellings with supporting commercial uses at ground floor levels.



STUDY AREA: Interim South of Market Industrial and Housing Conservation Special Use District.

The Floor Area Ratio limits within the South of Market area vary with the commercial zoning districts and are listed below.

Zoning District	FAR limit
C-3-O	presently 14 to 1 (proposed for reduction to 10 to 1)
C-3-R	presently 10 to 1 (proposed for reduction to 6 to 1)
C-3-G	presently 10 to 1 (proposed for reduction to 6 to 1)
C-M	presently 9 to 1 (proposed for reduction to 5 to 1)
C-3-S	presently 7 to 1 (proposed for reduction to 5 to 1)
M-1	5 to 1
M-2	5-1

FAR limit
presently 14 to 1 (proposed for reduction to 10 to 1)
presently 10 to 1 (proposed for reduction to 6 to 1)
presently 10 to 1 (proposed for reduction to 6 to 1)
presently 9 to 1 (proposed for reduction to 5 to 1)
presently 7 to 1 (proposed for reduction to 5 to 1)
5 to 1
5-1

Planning Context

This report will describe the land use and population characteristics of both the greater South of Market (SOM) area and the more discrete Special Use District, which is the primary focus of the South of Market Rezoning Study. Most of the areas east of Fourth Street have undergone separate planning analyses and rezoning proposals and are subject to land use controls and development scenarios as described in their respective plans. However, in order to develop permanent zoning controls for the Special Use District (SUD) area of the South of Market, the planning analysis looked at the SUD in context of citywide housing and commercial space demand and resources as well as that of the broader SOM area, taking into consideration existing resources, constraints, opportunities and market pressures extant in peripheral neighborhoods such as the North of Market C-3 districts, Mission Bay, Mission Creek, Showplace Square and the South Van Ness Avenue development proposals.

It should be noted, however, that a downtown stadium, large or small, has not been considered in this planning analysis and any subsequent such proposal would undergo its own separate planning analysis and impact assessment.

For the purposes of the South of Market Rezoning planning analysis and this report, the following subareas within the greater South of Market area are assumed to be developed as proposed by their respective plans and as described in their respective environmental assessment documents. The subareas are identified in Figure 1 and their development potential is briefly described in Table 2 of the Appendix.

- The South of Market C-3 districts, exclusive of the portion of the C-3-S district west of Fourth Street and south of Mission Street which also lies within the Special Use District. For the purposes of this analysis, the C-3 district north and east of the SUD boundary is assumed to be developed as described in the Downtown Plan and Downtown Plan EIR.
- The Rincon Point mixed use development along the Embarcadero from Mission to approximately Folsom Streets is assumed to be developed as described in the Rincon Point Redevelopment Plan and EIR and further described in Table 2 of this report.
- The Rincon Hill mixed use, predominantly residential development south of the C-3 district, east of YBC and generally surrounded by the freeway interchange and the Embarcadero is assumed to be developed as described in the Rincon Hill Plan, as amended in 1985, and the Rincon Hill Plan EIR.
- The South Beach mixed use development south of Rincon Hill from Bryant to Berry Streets and east of Second Street to the Embarcadero and including Piers 40, 42, 44 and 46A is assumed to be developed according to the South Beach Redevelopment Plan and EIR and is further described on Table 2.
- The Yerba Buena Center and Yerba Buena Gardens, hereafter referred to as YBC, is assumed to be developed as described in the YBC Plan and YBC Supplemental EIR.

The proposed Mission Bay development to the south, the Showplace Square development to the southwest, and the Van Ness Plaza development to the northwest, will be the subject of separate planning analyses and rezoning studies as part of Phase II of the South of Market/Bayshore Industrial Area (SOMBIA) study. The area subject to this South of Market planning and rezoning analysis encompasses the SUD and a small area north west of the SUD and east of Third Street around South Park. This rezoning study area is identified in Figure 4.

Land Use Change 1970-1984

Within the greater South of Market area, approximately 660 acres of land area are devoted to commercial, industrial, public/institutional, or residential land uses. In 1970, 39% of this land area was devoted to industrial activity; 27% was devoted to retail, office and business service activity; 18% was devoted to public, institutional or utility use; and 4% was devoted to residential use.

Since 1970, the area has undergone substantial change resulting in a net loss of industrial and residential space. Comparison of both a 1981 and 1984 land use inventory of the area with 1970 data indicates a substantial increase in the amount of office space along the Second, Folsom, Howard, and Townsend Street corridors and YBC area, most often at the expense of industrial activity, although some apartments and one residential hotel have been converted to office use. Since 1970, approximately 1.8 million gross square feet of industrial space has been converted to office use.

In addition to new office space by conversion of industrial buildings or new construction on land previously in industrial use, a substantial increase in intensity of office activity (total square feet of space) has taken place along the Market Street corridor, the northeasternmost portion of the South of Market C-3 district, and the YBC portions of the South of Market. Since 1970, approximately 14.2 million gross square feet (MSF) of office space was constructed in these three areas. Most of this land was devoted to lower-intensity office use in 1970; although some of the former office buildings also housed artist live/work space, business service, retail and small scale printing and garment manufacturing activities. As such, comparison with 1970 land use data would not indicate a substantial change of use along this northern edge although this development represents a substantial increase in intensity of office use.

Most of the land use change that has taken place over the last 14 years has been represented by the loss of industrial and residential space due primarily to demolition of buildings and to conversions of buildings to other uses, principally office use. Very few new industrial buildings have been developed since 1970, and none have been developed on land not formerly occupied by an industrial use. Except for YBC subsidized housing, very few residential units have been constructed in the South of Market area.

Approximately 1,980 housing units were lost from the SOM housing stock between 1970 and 1980. A 1984 land use inventory indicated a further loss of over 200 units from 1980 to 1984. Research of city records and field observations indicate that most of these units were lost from demolition of condemned

residential hotels, from apartments destroyed by fire, from residential hotel units being held vacant by property owners, and from flats being converted to commercial use.

Residential neighborhoods are low-scale and medium-density. Commercial/industrial areas South of Mission Street are also low-scale and low density, reflecting an overall FAR of 2.5 to 1, where existing zoning allows a 5 to 1 FAR.



C. RESIDENTIAL SPACE

Approximately 5,720 dwelling units lie within the SOM housing approximately 10,000 residents.

Housing Stock

Sixty percent of the area's housing stock was constructed prior to 1945, most of which was constructed during the decade immediately following the earthquake and fire of 1906. Most of the housing is in generally sound condition, having been inspected by the City's Building Inspection Department in 1968 and brought up to code the following year.

Most SOM buildings lying within the former creek and marshlands experience differential settlement. Some buildings have sunk as much as three feet over the last 80 years. This tends to occur uniformly along some alleyways and the buildings appear to be holding each other up very well. The City's Building Inspection Department is not alarmed at this condition.

A recent check of city records (Department of Housing and Apartment Inspection -- DAHI), reveal no reported code violations for SOM housing, with the exception of six 6th Street residential hotels which are undergoing code compliance procedures to eliminate fire safety, structural, and electrical code violations.

Over the past three years a number SOM flats and apartments have been undergoing cosmetic improvements. Buildings have been painted, stairwells and window frames have been replaced, and some trees have been planted in sidewalk tree tubs throughout the residential enclaves. Still, most of the small, wood frame flats and apartment buildings are in need of minor improvements such as painting and waterproofing, repairs to security gates and buzzers, pest control, and removal of discarded furniture and trash.

Residential hotels vary widely in building type, ranging from small wood-frame structures to large brick, concrete, or masonry buildings with 100 or more units. Most of the SOM family housing are in small (2-10 units) woodframe, walk-up buildings of 2-4 stories.



3



3

Most of the area's housing is characterized by small units. Sixty-five percent of the units are studios or residential hotel-type single room occupancy (SRO) units. Another 22% are one bedroom units. Less than 15% of the area's housing stock have two or more bedrooms and can therefore be considered suitable as family housing. This may be the result of the subdivision of flats and larger apartments during the World War II and post war housing crisis. Forty-three percent of the housing stock lack complete bathrooms and 39% lack complete kitchen facilities.

70% of the housing stock lack rear yards. Nearly 90% lack front yards and 72% and 80% lack porches or balconies, respectively. Of those households that do have in-unit private open space (balconies, porches) or common open space (front or rear yards, roof gardens or front stoops) resources, most household members use their porches and stoops as outdoor sitting and/or play area/1.

Of the 30% residential buildings that do have rear yards, more than half (56%) have less than the city minimum rear yard standard of 25%; 42% have 15% or less of the lot area devoted to open yard area. Many residential units are tucked into predominantly commercial blocks and their rear yards are enclosed by the rear and side walls of two-story warehouses.



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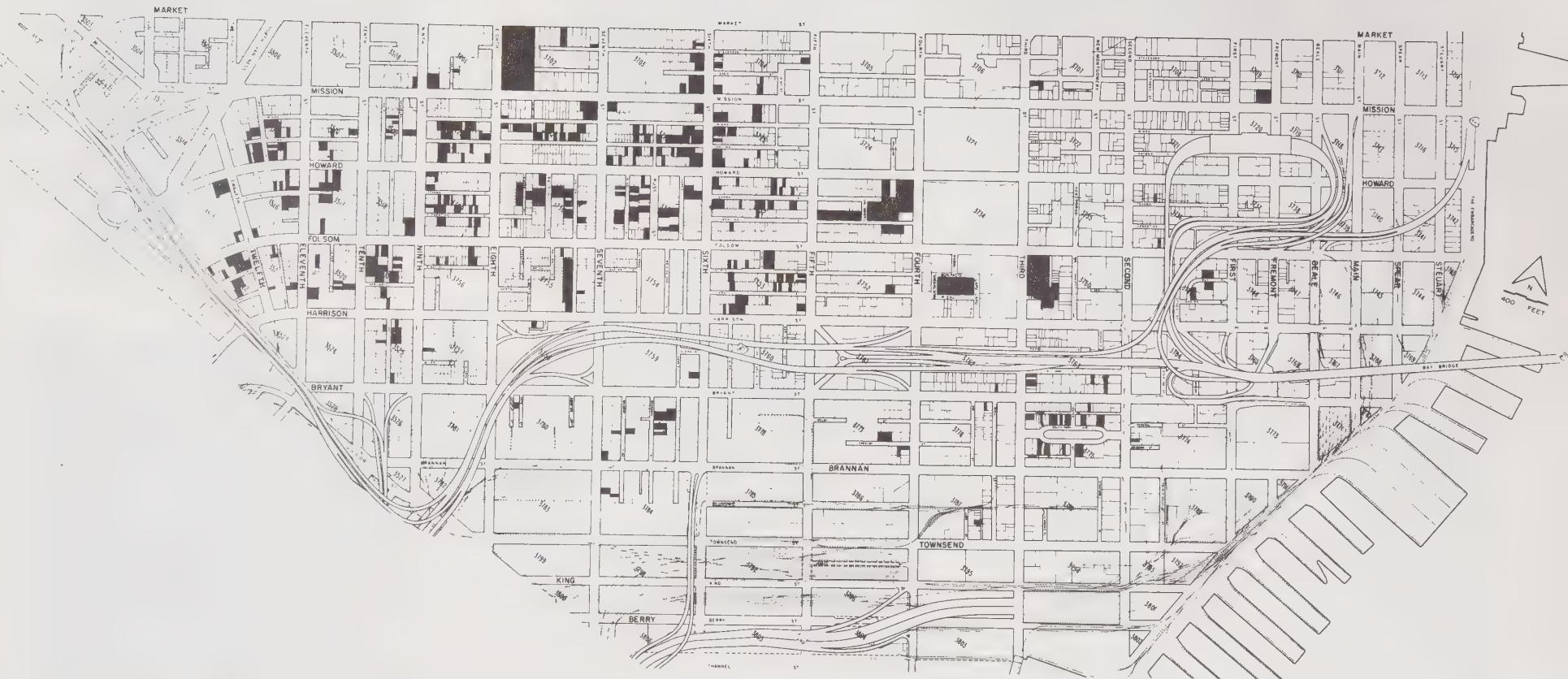
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3



3



RESIDENTIAL SPACE
HOUSING IN THE SOUTH OF MARKET

FIGURE 4

Only 23% of SOM households have off-street parking spaces although 42% of the households have at least one vehicle for which they are responsible for parking. 12% of the households have 2 or more cars to park. Most (57%) of the households who park on the street or alley can find a parking space within one block walking distance; 24% can find parking within 2 blocks; and 16% park 3 or more blocks from home./2/.

There is twice as much overcrowding in the SOM than in the city as a whole -- 9.9% of the units have more than 1.5 persons per room compared to only 4.7% for the city. This suggests that there is a need for larger family units in the SOM.

Most of the SOM housing are rental units. Less than 3% of the total SOM housing stock was owner-occupied in 1980. 96% of SOM residents surveyed in 1984 were tenants. This is higher than the citywide figure of 66%.

1980 Census data indicate an overall vacancy rate of 13%; however, most of these vacant units are in residential hotels undergoing code compliance procedures or residential hotels being held vacant by the property owner. A 1984 DCP housing inventory found a less than 1% vacancy rate, excluding these residential hotel units being held off the market. Housing economists generally consider a vacancy rate of 4 to 7% necessary for a reasonably balanced and fluid housing market. According to the Federal Home Loan Bank of San Francisco, the 1983 vacancy rate for all units in the City was 1%, for multi-family units was .9%, and for single-family units was 1.2%/3/.

Rent levels in the SOM are considerably lower than those for the city as a whole. The median rent paid in the SOM in 1980 was about half the citywide rent level of \$455. Sixty-seven percent of the SOM population was paying less than \$200 per month in 1980, compared to 21.4% for the city as a whole. A recent sample survey of SOM residents conducted by the Department of City Planning (DCP) as part of this rezoning study indicated that 22% of the respondents paid less than \$150 per month in 1984, while 61% paid less than \$300 and 83% paid less than \$450 per month in rents. Again, most of these units are small, without parking or rear yards, and many are without full kitchen and bathroom facilities.

While SOM rents have been rising in the past few years, the current levels of \$150 to \$450 per month are substantially below the average for the city. The SOM remains a valuable source of low-cost housing for many of the city's low-income immigrants, service workers, and unemployed or under-employed residents, as well as a large yet inestimable number of artists living and working in industrial buildings. In addition, the SOM is home to a large yet inestimable number of "shelterless" transients and street people.

Most of the area's housing is clustered in six distinct areas: Rincon Hill, South Park, YBC, Sixth Street, along the alleyways west of Sixth Street and north of Harrison Street, and along the alleyways west of Sixth Street between Harrison and Brannan Streets. Residential hotels and subsidized highrise apartments are concentrated around South Park, YBC, and Sixth Street, while family housing in residential enclaves is found primarily west of Sixth Street along the alleyways which bisect the major blocks, as well as above storefronts on major thoroughfares and in portions of Rincon Hill.

Most of the residential enclaves are found within the alleyways that bisect the large (11 acre) SOM blocks. Most enclaves are low-density; characterized by 2 to 3 story, 6 to 12 unit wood-frame walk-up apartment buildings or flats. The highest concentration of housing lies within the Special Use District which reflects an average medium residential density.

Neighborhood Livability

The South of Market offers a number of pleasant and attractive amenities to its residential neighborhoods, as well as a number of unpleasant elements and deficiencies in neighborhood amenities. Unfortunately, some of its deficiencies are believed by housing market analysts to be the very features which relieve the area's existing residents from competition from higher rent paying households. The unpleasant and unattractive elements within the SOM are believed to be striking enough to repel the higher-income residents who would otherwise be attracted to the SOM by its positive features; proximity to the downtown and waterfront, attractive climate, views, low-density housing stock, and attractive architectural character.

Overall, the SOM works as a healthy and vibrant residential and commercial neighborhood, particularly for low-income and rent-sensitive residents and businesses. The following section describes SOM neighborhood livability resources and deficiencies in hopes of giving the reader a glimpse of how and why the SOM works.

It is generally accepted that neighborhoods should be safe, clean, quiet and comfortable environments for its residents, workers and visitors. The criteria for measuring the success or failure of a neighborhood in providing safe, clean, quiet and comfortable environments are generally called neighborhood livability standards. These standards vary for urban, suburban or rural communities, and will also vary within individual cities for high, low or medium density neighborhoods. The Department of City Planning established neighborhood quality/livability standards for the City as a whole as well as for the South of Market as part of the planning analysis for the San Francisco Urban Design Study of the late 1960's and early 1970's. This study culminated in 1971 in the adoption of the Urban Design Plan, an element of the City's Master Plan.

In that study, ten environmental and four socio-economic factors were considered in the evaluation of neighborhood livability conditions for each of the City's major neighborhood environments. The 14 criteria are:

Maintenance -- the visual, qualitative condition of streets, buildings and grounds, both public and private.

Climate -- the patterns of normal weather conditions.

Distance to Open Space -- the distance to public open space and recreation areas.

View -- the extent and composition of the view from the street.

Traffic -- the degree of conflict between traffic ways and adjacent uses.

Visual Interest -- the visually interesting and architectural qualities of buildings composing the block.

Individual Expression -- the improvements and alterations to buildings in the block expressing personality or individuality.

Sense of Nature -- the presence of landscaping and/or views of natural areas within the block.

Image -- an area's distinct impressional character and sense of place/identity within a city.

Block Distinction -- the block's distinct identity and sense of place/definition within an area of the City.

Density -- 100 or more persons per residential acre.

Overcrowding -- 10% or greater units with 1.01 persons per room.

Low income -- percentage of households below the citywide median yearly income.

Property value -- percentage of residential properties valued below the median value of owner-occupied housing units.

For the purposes of consistency with citywide standards, these same criteria will be used to describe SOM neighborhood livability. It should be noted that it is not expected that any one San Francisco neighborhood will score high in all criteria -- some criteria are more important in one neighborhood than another and can be given greater value.

The 1969 Quality of Environment Survey found that the South of Market area was deficient in a number of neighborhood quality standards. The South of Market received an overall low rating in quality of neighborhood environment and was cited by the study as a priority area for neighborhood improvement programs, along with the Mission and Western Addition districts/4/.

A re-evaluation of the SOM neighborhood environment using the 14 neighborhood livability criteria, based on information derived from recent DCP field observations, a sample survey of SOM residents and business operators, and extensive public testimony received at numerous community meetings throughout the South of Market Rezoning Study planning process produced the following findings and conclusions regarding the SOM's present neighborhood livability qualities.

South of Market Community Neighborhood Perception

Even though the SOM serves as a "port-of entry" to many immigrants to the City and U.S., it is generally perceived as a permanent home to most of the area's residents, including the immigrant individuals, families and extended families.

Through interviews, residents and business operators universally expressed a desire to remain in the area permanently. Most tenants expressed fear of being forced out of the area by rising rents. They state that they intend to stay as long as they can afford area rents. Most business operators and artists expressed a strong desire to purchase property as a means of assuring permanent tenancy in the area.

Based on survey research, the reasons expressed by residents as to why they liked the area and wished to stay included: convenient location, nice people and neighbors/sense of community, quiet, and low rents (see Table 3).

The elements they disliked the most about the SOM were the presence of transients, lack of convenient business services, trash/pests, parking problems, and rising rents due to commercial encroachment.

The most urgent problems cited were crime, parking problems, lack of police protection, lack of park and recreation facilities, presence of trash and pests, and rising rents (commercial encroachment).

Based on sample surveys of SOM residents and business operators, their own neighborhood perceptions are that the SOM scores low in cleanliness and safety standards yet scores high in identity/sense of community, comfort and quiet standards.

TABLE 3: SOUTH OF MARKET SURVEY FINDINGS - NEIGHBORHOOD PERCEPTION

LIKES (OPEN ENDED QUESTION - FREQUENCY OF RESPONSES)									
	low rents	convenient location	nice people and neighbors-sense of community	quiet	interesting mixture of uses and population diversity	nice weather	nice scale	job availability	
RESIDENTS	4	1	2	3					
ARTISTS	6	2	1	4	3	5	7		
BUS.OPERATORS	1	1	3				2		
WORKERS			2				3	1	
DISLIKES (FREQUENCY OF RESPONSES)									
	nothing	transients	parking problems	dirty area	crime	rundown buildings	commercial encroachment	lack of convenient businesses/services	trash/pests
RESIDENTS	5	1	4	3	5	7	6	2	
ARTISTS		3			2		4	2	1
BUS.OPERATORS	1	2							
WORKERS	1	2							
URGENT PROBLEMS (FREQUENCY OF RESPONSES)									
	parking congestion	lack of police protection	noise	traffic problems	lack of park facilities	presence of trash/pests	fire protection	commercial encroachment	
RESIDENTS	2	3			3	4	5		
ARTISTS	3		5	2	6	4			1
BUS.OPERATORS	2								1
WORKERS	1								

Source: Department of City Planning, 1984



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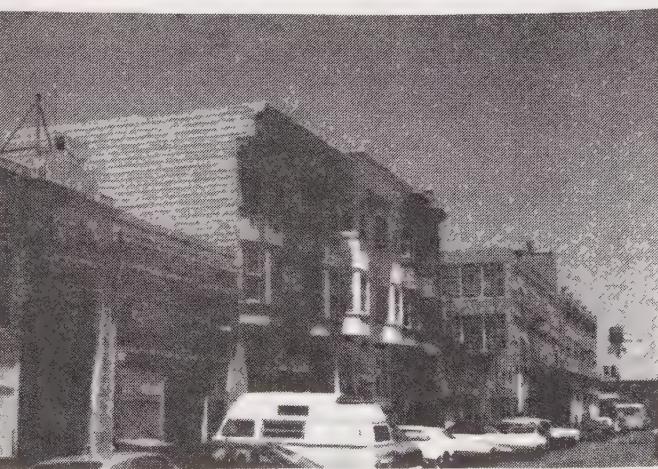
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Existing South of Market Neighborhood Livability Qualities

A DCP planning analysis of the SOM residential environment identified the following neighborhood livability qualities.

MAINTENANCE

Streets are in generally good condition. Storm drains work properly, curbs and driveways, where extent, are in good condition. Street paving receives annual repair and maintenance.

Sidewalks along residential alleyways are generally blocked by parked automobiles, delivery trucks, and/or bundles and piles of trash and discarded furniture. Sidewalks along the major east-west thoroughfares are often blocked by parked delivery trucks, and pallets of delivery materials.

Throughout the SOM sidewalks are dirtied by litter and discarded garbage and trash. Many sidewalks within the residential enclaves are very narrow with low curbs and are often dirtied and cracked from being used for automobile and truck parking.

Buildings, both private and public, are in generally sound condition. Some residential buildings lack paint and waterproofing and other cosmetic improvements. Commercial buildings receive regular cosmetic improvements and appear sound and attractive.

The residential enclaves are generally medium density neighborhoods. Most of the SOM residents are in individual households, although approximately 10% of the households are overcrowded (more than 1.5 persons per room per dwelling unit) compared with 5% citywide. 63% of the households earn less than the citywide median annual income of \$15,838. The median annual income for all SOM households is about \$7,500. 24% of SOM family households (related-members) and 29% of non-family households are below the poverty level, compared to 10% and 14%, respectively, for the City as a whole.



Approximately 96% of the residents are tenants. 83% of SOM households pay less than \$450.00 per month in rent. The median rent in the SOM is about \$300.00. The citywide median rent for studio and 1-bedroom units is \$425.00 and \$555.00, respectively. Approximately 70% of SOM households cannot afford citywide median market rents, assuming no more than 30% of gross annual household income is devoted to rent.

Based on recent sales of residential properties, SOM properties were priced below the citywide median value for similar building types although land prices were priced above the citywide median value.

CLIMATE

The SOM offers the most pleasant micro-climate in the City. Because of its low lying topography, its distance from clusters of tall buildings or hills, its proximity to the Bay and, most importantly, its generally low-scale built environment, the SOM is sunny and warm, is protected from strong winds, and is generally fog-free. The exception to this is a small area around the Yerba Buena Center senior housing towers where the height and position of the towers in relation to the prevailing winds create a wind tunnel within the senior housing grounds which makes use of individual balconies and common ground level open space areas very uncomfortable and unpleasant.

DISTANCE TO OPEN SPACE

The SOM is deficient in parks and open space resources. Until 1953, there were two large parks in the SOM: Columbia Square at Folsom and Columbia Streets, and Father Crowley Playground at Seventh and Harrison Streets. The City sold the parks to the State for construction of the James Lick Freeway. Columbia Square eventually became the Bessie Carmichael School and Father Crowley Playground became part Freeway and part Hall of Justice.

Presently, the SOM has two parks: The Langton Street mini-park at Langton and Howard Streets; and South Park at South Park between Second and Third Streets. Both of these parks are very small yet are highly utilized by residents in the immediate vicinity and are generally well maintained by the Recreation and Park Department.

The SOM has three private recreation facilities: the Senior Activity Center at Fourth and Clara Streets; the St. Patrick's Family Center on Clementina Street; and the Cannon Kip Community Center at Eighth and Natoma Streets.





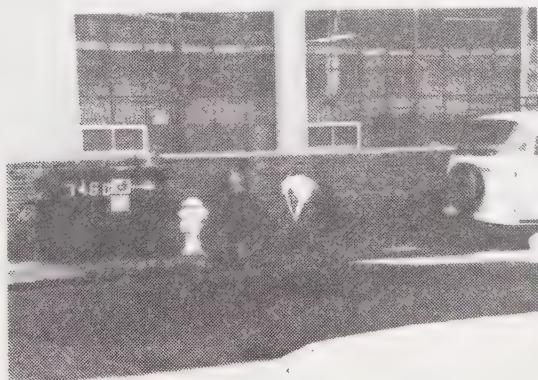
In addition to these formal park and recreation resources, there are a number of informal spaces used by residents and workers for recreation and relaxation. There is a fenced children's playground at the Bessie Carmichael School and another at the Filipino Education Center at Fourth and Harrison Streets. These playgrounds are used after hours by area children. There is a landscaped berm at the Moscone Center and a landscaped area at the Fifth and Bryant Streets freeway on-ramp.

Oddly enough, these landscaped areas are often used as brown bag lunch sites by area workers during nice weather. The Moscone Center landscaped area is used as a sitting area by area residents and workers. 12% of all SOM residents who use open space resources use the Moscone Center as a place to sit, watch and relax.

Parking lots within residential enclaves as well as front stoops and sidewalks are frequently used as spontaneous play areas by SOM children.

In addition to these distinct formal and informal park and recreation facilities, the street and sidewalk rights-of-way and the generous sunlight and air exposure provided by low-scale development serve as valuable open space resources and contribute tremendously to the area's sense of openness, comfort, and freedom from excessive shadow, cold and enclosure.

SOM blocks, at about 500 by 800 feet, are twice as long as blocks North of Market Street. The 1969 Urban Design Study recommended a 10 minute walk as the maximum distance to walk to an urban open space resource. Ten minutes is the average time it would take the average individual to walk 2,200 feet or about 3 SOM blocks, on level ground. Using this distance standard as a measurement, only 20% of SOM residents and workers are adequately served by formal open space resources. This is simply a distance criteria, this is not taking into consideration the adequacy of the size or condition of the park relative to the number and type of people in need of such space.





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VIEW

The SOM is rich in views of the City's built and natural landforms. Most major streets are wide (82 feet) with low-scale buildings framing the street quite pleasantly. These streets serve as view corridors providing views of the downtown highrise district to the north, Potrero Hill to the south, Twin Peaks to the west, and the Bay and Eastbay Hills and headlands to the east.

SOM streets provide views of distant open space and natural land forms and bodies of water which create focal points, give visual orientation to the pedestrian and motorist, give a sense of openness and sensual relief from the immediate environment, and provide a visual/psychological link with regional open space resources. Views act as psychological open space. The need for open space is somewhat ameliorated in an area with interesting, attractive and expansive views and view corridors.



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SOM residential enclaves are generally devoid of impressive views, except at roof level. The alleys are narrow (20 feet) and are framed by 2 to 4 story buildings. Their views at ground level, are generally blocked by commercial buildings along the major streets, although the sky exposure does provide visual relief.

The most attractive and expansive views are found along Howard, Folsom, Harrison, and Townsend Streets. The most disturbing elements along these corridors are the freeway billboards, the occasional highrise building tower, and the occasional pedestrian bridge connecting two buildings across a street.



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TRAFFIC

Traffic is predominantly auto-oriented. Vehicular traffic dominates and often overtakes pedestrian circulation spaces (sidewalks).

The streets of the SOM are wide (82 feet) and were designed to carry heavy traffic loads. Most of the streets have 4 to 6 traffic lanes with two parking lanes. Sidewalks are 10 to 15 feet wide along major streets and 5 feet wide along the minor streets or alleyways.

A system of one-way traffic couplets tie into the freeway system. Folsom and Howard Streets and Third and Fourth Streets are one-way couplets bringing cars in and out of the downtown. The elevated Central Freeway forms the western edge of the SOM; the elevated James Lick Freeway bisects the SOM at around Harrison Street; and the elevated 280 Freeway ends abruptly at Fifth and Harrison Streets.

Most of the SOM blocks have minor streets, or alleys, bisecting the blocks in either north-south or east-west directions. These alley's provide access to residential and industrial buildings in the interior of the large blocks. Most of the alleys are used for limited on-street parking by area residents and workers, for pick-up and delivery for small businesses and warehouses, and for access to the many 6 to 12 unit apartment buildings and 4 to 6 unit flats that line the alleyways.

The SOM major streets have sufficient capacity to handle the existing adjacent uses, except during morning and evening peak commuter traffic periods when traffic volumes approach 90% of street capacity along Howard and Folsom Streets and along freeway on-ramps. During non-peak periods, traffic flows well with average speeds of from 13 to 17 mph, compared to speeds of 7 to 11 mph on downtown and financial district streets.

Traffic speeds along the alleyways are generally slow due to the usual difficulty in maneuvering around parked cars and delivery trucks and goods. The mixture of uses along the alleyways work well except that none of the uses have adequate off-street parking facilities. The buildings were built in the early 1900's and were built for lower intensity industrial and residential uses; industry had fewer employees per building, and the residential units were much larger then -- having been subsequently cut up into smaller units during the post World War II housing crunch. Also in those times, employees did not drive to work and residents did not own as many cars as they do now. For these reasons, the alleyways do not work as well as they used to and as well as they should. They can be hazardous when the general clutter of parked vehicles and occasional dumpster or stacked pallets of delivery goods on both the street and sidewalks reduce the motorist's line of sight and increase the probability of the pedestrian having to walk within the street space to get by. This sets the scene for potential vehicle and pedestrian conflicts, particularly for small children at play.

SOM major streets can be dangerous in this way where mid-block commercial buildings have curb-cuts and freight loading bays. Oftentimes service vehicles and delivery trucks block the sidewalk and pedestrians are forced to enter the street space to get by.



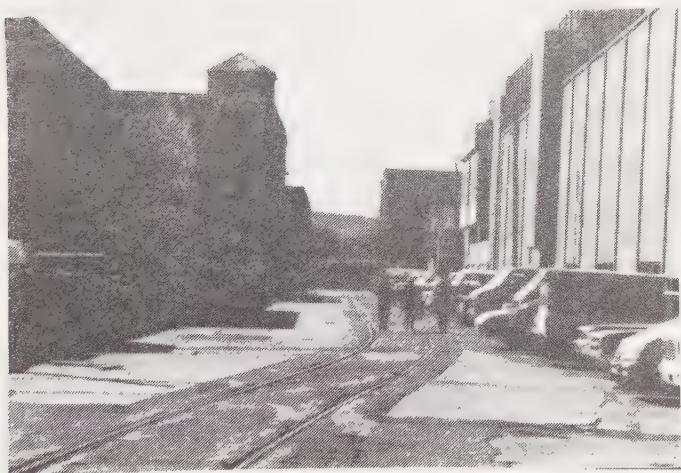
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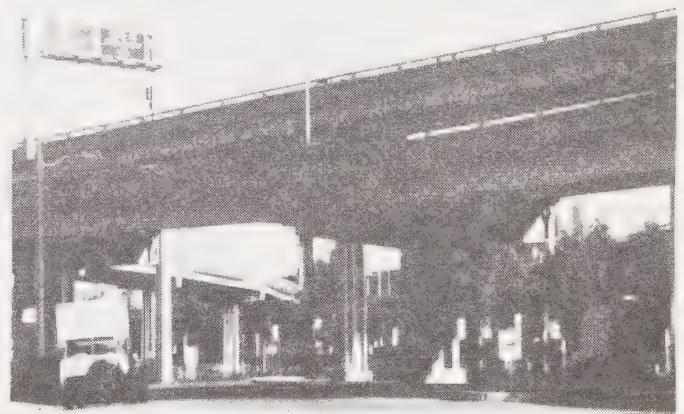
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A significant number of rail tracks lace the southern portion of the SOM. These tracks are no longer used by rail carriers and the streets which contain these tracks are in poor condition with pot holes, bumps and uneven pavement. These conditions make it very difficult to drive along or cross the street on foot. They have the effect of slowing traffic and reducing street capacity and traffic volume efficiencies. Many of the rail rights-of-way are used by pedestrians as short-cuts through the large blocks, particularly by SOM workers enroute to or from the S.P. Commuter Train station at Fourth and Townsend. This pedestrian use of the effectively (although not officially) abandoned rail rights-of-way is not a conflict of use, rather it is an appropriate "adaptive reuse" of this circulation network. It is only troublesome in the sense that the tracks are bumpy, are trash-filled and are either muddy or dusty and, as such, are difficult to maneuver during the winter morning and evening peak pedestrian commute periods.

The most obvious conflicts between traffic ways and adjacent uses are the presence of elevated freeways and on- and off-ramps. Elevated freeways are visually obtrusive, are noisy, degrade local air quality, shadow nearby streets and sidewalks, attract visually obtrusive billboards, and make it very difficult to design and develop adjacent buildings with anything but large, expansive blank walls.



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VISUAL INTEREST

The SOM is blessed with a number of architecturally attractive residential, commercial and industrial buildings as well as a pleasant pedestrian-oriented scale of development. These, along with continuous, small-scale commercial frontage along major streets, create a visually interesting neighborhood.

Quite a number of commercial buildings share a common industrial-stylized architectural character with interesting scale, color, texture and patterns of facade treatments and fenestration (windows). Some of these buildings are architectural gems and serve to remind us of our rich architectural heritage. The area's continuity of architectural style is a positive feature and imparts a distinct visual character and identity for the area.

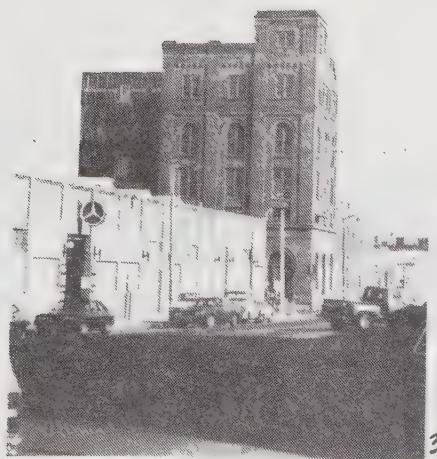
Residential buildings, likewise, provide rich scale, texture, architectural character and visual interest for the SOM. Very few buildings are out of scale or conflict in style with one another.



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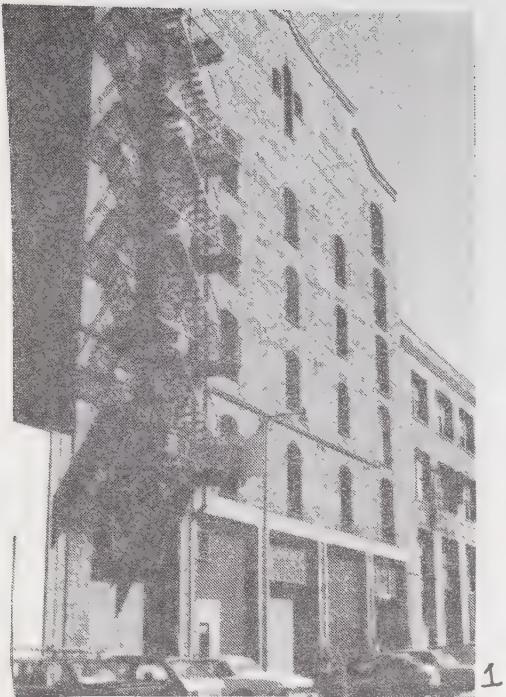
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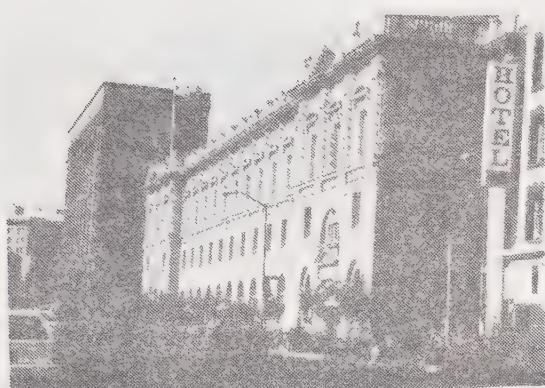
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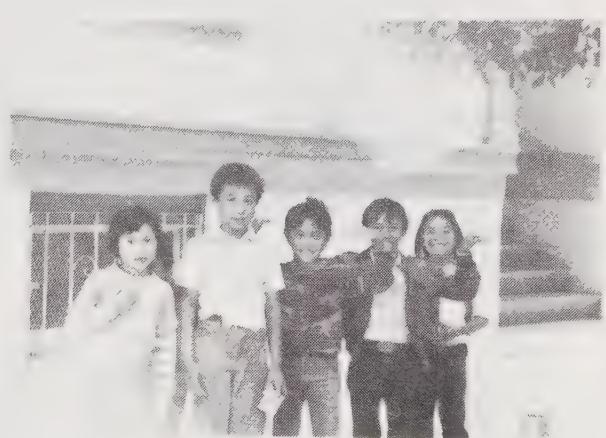


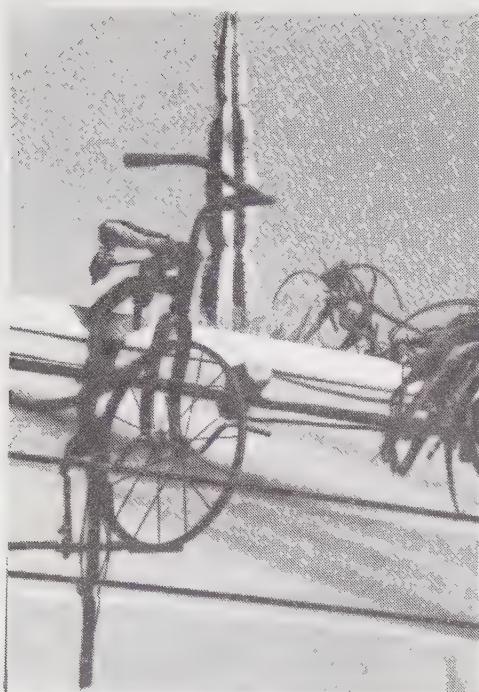
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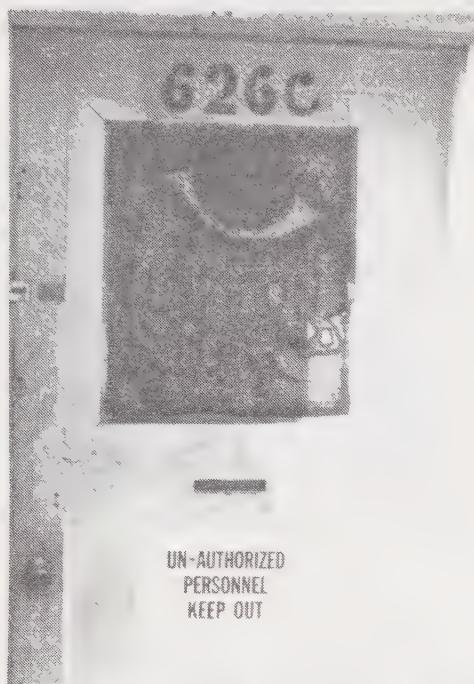
INDIVIDUAL EXPRESSION

The SOM is a special place -- largely due to its richness in individual expression. The most interesting features about the SOM is its sense of community and the diversity within the universe of peoples and businesses that form the fabric of the South of Market community. The SOM is a center of artistic creativity and individual expression. This is expressed through both visual and performing arts mediums and is most often manifest in the peoples' living and work spaces, clothing fashion, language, cultural identity and various forms of entrepreneurship. SOM street people are colorful and creative in their business ventures and forms of temporary shelter. Residents are creative in the ways they shape and improve their living space, adding art and greenery to their homes. Commercial buildings are colorful, signage is interesting and attractive. Some of the City's most creative and artistic business activities are found in the SOM. There is a freedom of expression found here that is unlike any other neighborhood.





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SENSE OF NATURE

The western SOM is devoid of natural elements - trees, water, and landscaping. 70% of the residential buildings lack rear yards. However, one of the more endearing aspects about the SOM community is that, despite their low-income status, the residents do create small green spaces in their homes by installing window boxes, planters and tree-tubs. This "self-help" greening of their environment is very important to them. The most frequently cited preference for park, recreation or open space resources was a park with grass, trees and flowers (86% of responses) in which to sit, watch and relax (93% of responses).



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IMAGE

The image of the SOM is both good and bad. Based on survey research of area residents, workers and visitors, the SOM is generally perceived as a "dirty" place, and somewhat of an unsafe place to visit -- although it is not perceived as a violent environment as some people perceive parts of the Tenderloin, Inner Mission and Western Addition. Even the street people believe the SOM is safer and more peaceful than these other areas. The presence of street people sleeping and sitting in the stoops and sidewalks and occasionally panhandling passersby contribute to people's perception of the SOM as an unsafe place to visit. However, testimony by area residents, business operators and police assigned to the area indicate that very few assaults do take place. The presence of people on the street at night, patrons of the bars, restaurants and dance halls, has made the SOM a much safer place over the past few years. The presence of regular customers or patrons of the area's nighttime entertainment businesses as well as the regular SOM street people "residents" serve as "witnesses on the street" which in many ways deters and prevents crimes from occurring.

The SOM is well known by all segments of the City's resident population as one of the most convenient areas to find all types of household and personal goods and services at reasonable prices.

The character of the SOM physical environment is visually interesting and of a very pleasant scale of development. Its low scale development does not overwhelm the visitor as other, higher-density in-town neighborhoods can. Rather, the low buildings -- particularly those with ground floor commercial activity and/or rich architectural style and texture -- are visually interesting, provide a sense of intimacy for the traveler, and provide sun and air space exposure, warmth, and wind protection. This creates a very positive comfort level and imparts a sense of friendliness and belonging to the visitor.

However, at the same time, the sidewalks are oftentimes unkempt, ordorous, and are occasionally blocked by trash, parked vehicles and/or sleeping or sitting street people. Despite this, the SOM has an image as an interesting place to visit -- rather bohemian in character; generally safe, spacious and comfortable, although often dirty. It is the place to go to get your vehicles and appliances repaired, to buy building materials and building maintenance services, to buy sheet music and musical instruments, to get video and photography services and supplies, to cut records, to rent costumes, buy balloons, get a deal on factory-outlet clothing, go to a cabaret bar, dance



hall or restaurant, visit an art gallery, take diving lessons, play squash, as well as purchase any number of convenience professional and personal services. Many of the services essential to the maintenance of the downtown tourism and office industry are found in the SOM: elevator repair, hiring halls, commercial laundry service, print shops, graphic artists and bicycle messenger services, to name but a few.

BLOCK DISTINCTION

The SOM is a large and complex urban environment. It is generally low-scale with continuity in physical form and density, although there are pockets within the larger SOM that are visually distinctive. The northern edge along Market and Mission Streets feature tall buildings as does the more intensely-developed commercial areas east of Fourth Street. Within the western SOM, there is little visual distinction between blocks, save for an occasional church or brewery tower or some building of distinct and exceptional architectural character, or a higher density residential building at the corner of a major thoroughfare similar to the Hotel Utah at 4th and Bryant or the Phillips Hotel at 9th and Howard Streets.

The elevated James Lick and Central Freeways, along with the overscale billboards they spawn, are visually distinctive obtrusive and provide some visual orientation to the traveler.



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Neighborhood Livability Summary

Overall, the SOM works well for its residents, workers and visitors. The positive features of the SOM outweigh the negative. The negative features can be ameliorated over time by public and private investments: improved maintenance of sidewalk space, measures to increase parking and green and park spaces, and measures to improve the public's perception of the SOM as a safe place to live, work and visit. This, along with maintenance of the area's positive features -- low scale, low density development, view corridors, sun exposure, quiet at night and on weekends, rich architectural character, diversity of activities and population -- can improve neighborhood livability for the SOM residents, workers and visitors. It should be noted, however, that these improvements must be done carefully and sensitively if the existing residents, workers and visitors are going to be able to stay to enjoy them as the residents and some businesses are extremely "rent sensitive" and cannot afford alternative spaces in other areas of the City. Care must be taken to prevent inordinate rent increases while steps are taken to improve the environment.

D. POPULATION CHARACTERISTICS

The Greater South of Market Residential Population

The South of Market residential community is a diverse community comprised of senior citizens of all racial, ethnic and cultural backgrounds; Southeast Asian immigrant families; Filipino immigrants and their extended families; Latin/Hispanic families; Black families; gays and lesbians, "straight" single male adults; artists and their families; street people, and a number of other ethnic and cultural groups.

Despite the diversity, SOM residents share a number of common characteristics: they are generally low-income, are renters (or squatters), enjoy living in the SOM, and are fearful of being displaced by higher rent paying households or commercial activities. Residents express concern that, over time, upper-income households will be attracted to SOM housing stock by virtue of the citywide housing crisis and/or by the inherent amenities of the SOM neighborhood and will outbid SOM residents for existing housing. In this process, landlords, seeing higher income households applying for vacant units, would raise the rents on vacant units until they reach the citywide market rate or until they can no longer attract and capture these households. The end result would be existing residents paying a higher proportion of their income to remain in the area, "doubling up", or being outbid for space and having to leave the area for less expensive housing.

The population of the SOM in 1980 was 10,072, excluding the inestimable number of squatters, artists living in loft studios, and street people who are generally not counted in the U.S. Census survey, and excluding the more recent Southeast Asian immigrants. For the purposes of this report we will use the 1980 Census figure of 10,000 residents. In addition, we will supplement census household characteristics with findings from our own 1984 SOM Resident Survey. This was a door-to-door interview survey of a statistically-representative sample number of SOM residents, stratified by ethnic and cultural groups.

Ethnic and Cultural Group Characteristics

The 10,000 SOM residents are represented by five major ethnic groups: Filipinos - representing 39% of the total population; Whites - 33%; Blacks - 10.6%; Asian (Southeast Asian, Chinese, Pacific Islander) - 9.2%; and Latin/Hispanics - 7% (source: SOM Resident Survey). In addition, there are at least 6 different and major cultural or distinct lifestyle groups within the SOM resident population: senior citizens; gays and lesbians; artists; families with children; single adults; and street people.

Ethnic and cultural groups tend to cluster in certain neighborhoods within the SOM. The Filipino community is generally concentrated in the alleyway residential enclaves west of 8th Street to the Central Freeway / Duboce / 12th Street edge and from Market Street south to about Harrison Street.

The Hispanics share space with the Filipinos in the area west of 11th Street from Mission to Harrison Streets. This is a much quieter area with less commercial activity and through-traffic than the rest of the SOM.

Black families have left the SOM in substantial numbers over the past 15 years. The small family community that remains can be found in the area between Fifth and Sixth Street and Folsom and Harrison Streets, as well as within South Park. Most of the area's Black residents are single, male adults and are living in residential hotels or senior housing projects along 6th and 4th Streets, although there are some "homeless" people generally living around the 6th - 8th / Mission - Harrison Streets area.

The white community is predominantly single, male adults living in residential hotels or senior housing along 6th and 4th Streets. White families are found between Fifth and Sixth and Howard and Folsom Streets.

White gay and lesbian adults are generally located in the alleyway neighborhoods within one block north and south of Folsom Street, from about 7th Street west to 12th Street. White female adult households are predominantly senior citizens residing in senior housing projects along 4th Street.

There are a number of white male and female artists living in industrial buildings throughout the SOM. In addition, there are a number of homeless "street people", both male and female, living in a six block area from about 6th to 8th Streets and Mission to Harrison Streets.

Chinese residents are predominantly female senior citizens residing in senior housing projects along 4th Street. Southeast Asian residents are generally family households with small children living in residential hotels along 6th Street and more recently in flats and apartments around 12th and Folsom Streets.

As mentioned earlier, there is a significant number of "homeless" street people who generally "reside" in the area from 6th to 8th Streets and Mission to Harrison Streets. The SOM has always provided informal shelter for transients who sleep in and under stairwells and stoops, in vacant buildings, and other rather spontaneous forms of temporary shelter. The center of this activity used to be along Third Street until the Third Street "Skid Row" was demolished in the early 1970's to make land available for YBC. Sixth Street replaced Third Street as the city's "Skid Row". Sixth Street is still a very active and vibrant "Skid Row". However, it does get rather busy and congested at night and is not often conducive to getting a good night's or day's sleep -- even for those who are used to sleeping on the stoops and sidewalks of the inner city. In addition, a number of detoxification centers and city-sponsored temporary shelters are located in the 8th Street area. For these reasons, and because of the overall increase in the homeless population, more and more transients are observed living throughout the western SOM.

Age and Sex Distribution

The SOM has a lower percentage of children and young people than the city as a whole -- 13.9% are under 19 years of age, while the citywide figure is 19.6%. There is also a higher percentage of elderly people (60+ years) -- 28.9% compared to 20.6% for the city.

The average age in the SOM is 41.5 years compared to the citywide average of 38.7 years. This is largely due to the area's large senior citizen community which comprises nearly one-third of the SOM population. About 63% of the population are between the ages of 20 to 59 years.

The SOM population is predominantly male with only one-third being female. Please refer to Table 4 in the Appendix for an outline of SOM demographic characteristics.

Household Composition

Most SOM households are small, which is fortunate because most of the SOM housing units are small -- 65% are studios or SRO's. Of the 10,000 residents, about 7,090 (70%) are in one person households; that is, they live alone. 17% live in group quarters as compared to 3% for the city as a whole. This is partly attributable to the presence of the County Jail population although it is primarily due to the area's large residential hotel population.

Despite the large number of single-person households, there are a significant number of large family households which brings the average SOM household size up to 2.76 persons, compared to 2.19 for the city as a whole. Survey data indicate that the small percentage of large size households in the SOM (about 15% of the total) are overcrowded in their living quarters.

Overall, single person households are predominantly White and Black while larger households are primarily Filipino and Hispanic.

Only 15% of the population are in 3 or more person households which could be considered family or extended family households. According to Census data there are about 1100 family households (2+ persons related by birth, marriage or adoption) in the SOM. Most of these family households are comprised of persons of Filipino or Hispanic descent: 63.5% of Hispanic households have 3+ persons; 73% of Filipino households have 3+ persons.

Household mobility

The SOM population demonstrates a high mobility rate. Only 30% of the 1980 population was living in the same house it occupied 5 years earlier. This compares to 48.5% for the city as a whole. This was due both to migration from other housing in the city (perhaps from other units within the SOM) and from other states. 15% of the 1980 SOM population consisted of foreign immigrants compared to 8% for the city. Most of the SOM foreign immigrants came from the Philippines.

Household Income and Labor Force Characteristics

The South of Market is a predominantly low-income community. 80% of the SOM households surveyed in the 1980 Census earned less than the citywide median income. Conditions have improved somewhat since 1980 as the 1984 resident survey found that 64% earned less than the citywide median income. However, this improvement is diminished by the fact that the cost of living has increased substantially during the last 4 years.

It should be noted that a significant, yet inestimable number of SOM resident artists, Southeast Asian refugees, and "shelterless" street people were not surveyed by the Census. Statistics reflecting their income would lower the SOM median income level. However, since this data is not available, we will use the 1980 Census surveyed population of 10,072 residents.

For those surveyed, both the median (\$7,500) and the average (\$8,984) SOM household income are less than half the citywide median income (\$15,838) and average income (\$20,546) (1980 Census data using 1979 income).

Approximately 29% of the 1980 SOM population had incomes below the Census-established poverty level (e.g. \$3,686 annual income for 1 person households, \$4,876 for 2 person households, or \$9,915 for 6 person households), compared to 14% citywide.

The percentage of SOM residents over the age of 60 who are below the poverty level in 1979 was less than the citywide average - 22% for the SOM compared to 28.5% citywide. It should be noted that 65% of the SOM residents over the age of 65 live in single person households (SOM survey). The U.S. Census definition of poverty level for a single person household was \$3,686 annual income in 1979. According to the 1984 SOM survey, 36% of households with persons 65 years of age or older have annual household incomes of less than \$5,000; 47% have incomes between \$5,000 and \$9,999, and 92% have incomes below the citywide median income level.

Based on the 1984 SOM resident survey findings, about 64% of the SOM households have incomes below the 1979 citywide median income level (\$15,838). Of the six income groups surveyed, the largest number of households (30%) were in the \$5,000 to \$9,999 per year income category, while 18% earn less than \$5,000 per year.

Overall, families do better than the SOM population as a whole, particularly those with several working members. 44% of the families with 2 or more workers have an average annual income of \$18,929 which is closer to the citywide average.

Southeast Asian families and seniors represent the lowest income households in the SOM with 91 and 92% of the households, respectively, having incomes below \$15,000.

59% of Filipino households and 57% of White households earn less than \$15,000, while Hispanic and Black households hold the middle range at 65% and 80%, respectively.

Thirty percent of the SOM survey respondents were from households with no wage earners; 28% had one wage earner; and 28% had two wage earners. Only 14% had 3 or more wage earners per household.

46% of the total SOM working-age population is in the labor force. This is well below that for the city as a whole -- 64%. Of the approximately 4,080 person civilian labor force residing in the SOM, 86% were employed and 14% were unemployed in 1980.

Most of the employed residents are represented in the service occupations (25%), unskilled labor (19%), or professional technical occupations (12%).

40% of the SOM service worker households earn less than \$15,000 per year. 7% earn less than \$5,000 per year. Most of the service worker households had one or two wage earners. 28% of the service worker households earning more than \$15,000 per year had 3 or more working members.

39% of the SOM laborer households earn less than \$15,000 with 6% earning less than \$5,000 per year. 9% of laborer households earning more than \$15,000 had 3 or more working members.

29% of the professional technical households earn less than \$15,000 with 4% earning less than \$5,000 per year. 40% of the professional technical households earning more than \$15,000 had 3 or more working members.

Educational Level

The SOM has a lower level of education than the city as a whole. Only 56% of SOM residents over the age of 25 are high school graduates and only 14% are college graduates as compared to 74% and 28% respectively for the city as a whole. All SOM ethnic groups are below the citywide educational level for these groups, although Asians show high school and college levels closer to citywide Asian figures.

Housing Affordability

Very little data is available on current market rents for SOM housing, principally because there has been very little turnover of units during the 1984 study period and SOM units are not generally advertised in local newspapers or homefinder lists .

A November and December 1984 DCP survey of SOM and citywide median monthly rental rates showed a median rental rate for SOM studios at \$310. Residential hotel room rates range from \$270 to \$400 per month.

Vacant SOM 1, 2, or 3 bedroom units were not available to determine market rates. The citywide median monthly rents for studios, 1, 2, and 3 bedroom units were \$425, \$555, \$825 and \$1,200 respectively.

83% of SOM households presently pay less than \$450 per month in rents. \$476 per month is considered the maximum rental rate affordable to low-income single person households, according to HUD guidelines. According to HUD guidelines, 70% of SOM residents would be considered below very low income households, 21% would be considered very low income, 6% would be considered low income, and 3% would be considered moderate income or above. (See Table 6).

Based on 1984 SOM survey income statistics and assuming up to 30% of gross income is devoted to rent, approximately 75% of SOM households cannot afford citywide median market rents. The following table illustrates the housing affordability distribution of SOM residents (please also see Table 6 of the Appendix).

Table 5: SOM HOUSING AFFORDABILITY DISTRIBUTION

<u>Income Group</u>	<u>% SOM Households</u>	<u>Maximum Monthly Rent-Paying Ability</u>
less than \$5,000/yr.	18	\$125/month
\$ 5,000 - \$ 9,999	30	\$125 - \$250
\$10,000 - \$14,999	16	\$250 - \$375
\$15,000 - \$19,999	11	\$375 - \$500
\$20,000 - \$24,999	11	\$500 - \$625
\$25,000+	14	\$625+

The SOM households most likely to be able to afford citywide market rate rents are multiple wage earner households -- generally Filipino, and service, laborer and professional technical occupation households.

25% of Filipino households had 3 or more working members as compared to 8, 0, 9, and 2% for White, Black, Hispanic and Chinese households, respectively.

25% of SOM service occupation households earn over \$20,000 and can afford to pay over \$500 a month in rent. Similarly, 1% of laborer households and 17% of professional technical occupation households can afford to pay the citywide median rental rate.

E. RESIDENTIAL SPACE TRENDS

Housing Needs of San Francisco

As noted in the 1981 Report on the Citizen's Housing Task Force, the city as a whole experiences a serious housing crisis involving both a demand-supply imbalance and an affordability gap. Demand for housing, stimulated by immigration and changes in household characteristics, have exceeded supply two-fold. The principle constraints to housing production were cited by the report to be: an insufficient supply of buildable land; restrictive zoning policies; rising construction costs; and double-digit mortgage rates.

The housing affordability problem is manifest both in what City households can afford to pay for existing housing, and the gap between what they can afford to pay and the actual construction and development (occupancy) costs of new housing.

Because of the City's low vacancy rate and high demand, higher-income households can outbid lower-income households for existing units as they come on the market. This represents an irreversible increase in the rental rate for that particular unit. Additionally, when rental units change ownership, the much higher mortgage rate and finance service charges are passed onto the tenants in the form of increased rents -- another irreversible change.

The affordability of new construction is an even greater problem. Assuming an 80%, 30 year fixed loan at 14%; a simple, no-frills, one bedroom apartment would have to rent for \$1,300 a month to make a 15% rate of return for a 4 unit SOM apartment builder. The 1984 median citywide market rent for this type of unit in an existing building is \$555.00, which in itself represents a 22% increase over the 1980 median rent for this same unit (\$455.00).

Based on 30% of gross income devoted to rent, approximately 30% of the City's households can afford market rents for an existing 1-bedroom unit (\$555/mo). Approximately 25% of SOM households can afford these rents, although these households are large with 2 or more wage earners and a 1-bedroom unit would not be suitable for this size household.

Approximately 10% of the City's households can afford to pay the required occupancy costs of a newly constructed 1-bedroom rental unit (\$1,300/mo). Approximately 10% of the City's households could afford to buy this unit, assuming a sales price of \$100,000, and assuming these households can afford a sales price equal to 2.5 times their gross annual income.

This leaves a significant segment of the City's households without choice or opportunity in one of the basic criteria for social well being -- shelter.

Again, the housing supply and housing affordability problem is a citywide problem and City government is taking steps to ameliorate this problem. Some of the steps the City is taking include: zoning underutilized commercial or industrial lands for housing; lowering land costs by making public lands available for housing development; allowing density bonuses to lower per-unit costs; requiring office developers to contribute to new housing construction; and providing below-market rate financing to the developer and consumer. At the same, the City is encouraging office developers to rehabilitate vacant housing for low-income households; is supporting housing construction and rehabilitation by non-profit corporations for low income households; is protecting existing rental rates through the Rent Stabilization Ordinance; is preserving residential hotel units through the Residential Hotel Conversion Ordinance; is attempting to protect existing housing in commercially-zoned districts from being converted to non-residential use; and is encouraging new mixed use developments in commercially-zoned districts.

Housing Market Feasibility in the South of Market

The most serious problem for SOM residents is housing affordability. Because the SOM is within walking distance of the City's major employment center, and because of the SOM's overall pleasant scale, architecture, and microclimate, the SOM, over time, is expected to become one of the City's most sought after neighborhoods by the young urban professional households that are immigrating to the City in increasing numbers. These households are attracted to the City by the expanding downtown office sector (finance, insurance and real estate industry) and are characterized demographically as two working adults earning \$30,000 to \$50,000 combined annual income.

The City has been taking steps to accommodate this demand in the eastern and southern portions of the SOM. Collectively, Rincon Point, Rincon Hill, South Beach, YBC, and Mission Bay should provide over 12,000 market rate housing units over the next 20 plus years. The housing developments that are coming on-line in 1985 and 1986 (YBC, South Beach) have been carefully designed to capture this 2-working adult young professional household. Market analyses based on telephone interviews with existing San Francisco households with similar demographic characteristics have identified what type of housing and neighborhood this market sector demands in order to be attracted to the SOM. The features required of this household type include: proximity to the financial district; close proximity to the waterfront; internal security; internal parking; two-bedroom, 2 bath units; views; critical mass of similar income types; and nearby convenience commercial activity (grocery stores, laundry/cleaners, restaurants, etc.).

Based on survey research, it has been established that these household are not attracted to the western SOM because of the proximity to "Skid Row"; parking problems; perceived safety problems; proximity to industry; and the "dirty" environment.

Based on recent field research, the strongest market for existing western SOM housing stock is from recent immigrants to the City, (particularly southeast Asians, Filipinos and Hispanics); artists seeking live/work loft space; gays and lesbians working in the SOM service industries; low-income young families or couples; single "straight" male adults; and small business operators converting apartments to offices and perhaps also living there.

Based on income demographics for these types of households (generally lower income service workers), the most competitive pressures experienced by existing SOM households would be from the small business operators converting flats or apartments to office or other commercial space, or from multiple wage earner households in the service industries.

Because of the presence of transients, parking congestion, and mixture of industry and housing within the western SOM, the young urban professional household which is being attracted into the eastern SOM and Mission Bay is not expected to venture into the western SOM and compete for housing for at least the next 15 to 20 years. If the City does not allow a South Beach type of development along the western and southern edge of the SUD, and if the Sixth Street "Skid Row" is not displaced by public action as was the former Third Street "Skid Row", then it is expected that the young urban professional household will not venture west of Fifth Street within the 20 year buildout period of the eastern SOM housing developments.

Without this upper income housing market, and the rents these households can afford to pay, the existing western SOM rental housing stock is expected to remain low-income affordable, relative to the citywide median rental rate. However, because the western SOM is not expected to capture higher rental rates, the feasibility of constructing new, in-fill housing is greatly diminished.

Because of the cost of land, labor, materials and financing, new housing development in the western SOM is not expected to be economically feasible for at least 5 to 10 years. The cost of construction and operation far exceed the revenues which can be generated by rents. It is expected that most new in-fill housing will operate at a deficit for 5 to 7 years before a positive cash flow would accrue and a return on investment can begin to be realized. However, if the land is owned free and clear, and/or construction costs are financed by the property owner, then rental housing can be profitable in the SOM in the near term. Without that, subsidies would be required to induce new in-fill housing, or a property-owner/developer will have to view the project as a long term investment and must be willing to accept substantial operating deficits for a number of years.

New housing development in the SOM is a highly speculative investment, even with projects designed and priced for the strongest market - that of the 2 working adult, young professional household. The SOM is an "unproven area" for housing and as such developers have difficulty in obtaining financing and often pay a premium for the added risk. The two planned unit developments coming on line in the near future (St. Frances Plaza at YBC and South Beach) have benefitted from heavy government subsidies - land write downs, below-market rate bond financing, increased densities, internal commercial space, and government financing and development of peripheral neighborhood improvements (marina, park, convention center, YBC cultural center).

The only other market rate housing developed within the SOM in recent years is the replacement housing built on the site of the Folsom Street residential hotel and apartment arson fires of 1981. This development includes two 3-story buildings with studio apartments over ground floor commercial space fronting on Folsom Street. Because the former housing was destroyed by "an act of God", the Planning Code allowed the housing to be rebuilt at the same density (number of dwelling units) and with the same parking and rear yard deficiencies; that is, no parking and no rear yard. Had the project been required to meet the present zoning density, rear yard, and parking standards, the projects would not have been economically feasible. In addition, the 1137-1141 Folsom Street project was allowed to fulfill an office developer's Office Housing Production Program housing requirement. The contribution by the office development, combined with the increased density, relief from parking and rear yard, and ground floor commercial space provide an internal subsidy which is expected to allow this 27 (studio) unit project to pencil out.

Based on an economic analysis of estimated construction costs for the Folsom Street replacement housing, the economic rent (occupancy costs) for each unit is about \$645. This is double the prevailing market rates for SOM studio units. The Folsom Street units are being rented for \$400 to 450/mo. about \$200 or 30% below their economic rent.

The full economic cost of new housing in the SOM exceeds market rent levels. At \$650/month, a person could find a larger unit elsewhere in the City - perhaps in a neighborhood with better transit, shopping and open space. Without subsidies or lower land costs, it is questionable whether any new housing can be marketed in the SOM at economic rents.

Part of the gap between occupancy cost and market rents is attributable to high costs of construction, land and financing costs which are endemic to San Francisco. However, part of the gap also includes the higher financing costs associated with the risks of developing housing in an unproven area, as well as the costs associated with a longer than normal rent up period, higher marketing and promotional costs, higher vacancies, and, occasionally, rent write-downs or discounts until the market strengthens.

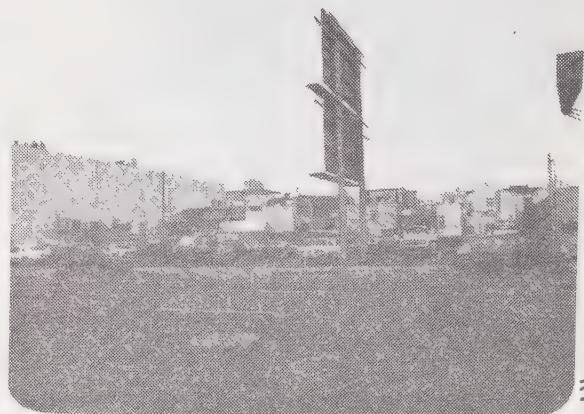
It is expected that market risk would decline over time in the western SOM if developments like St. Frances Plaza, South Beach, Rincon Hill, and Mission Bay prove successful. It is also projected that market rents will rise slightly faster than construction costs and land costs over the next decade. However, it is expected that by 1995, some form of subsidy will still be required because of the affordability gap, although the market risk of new residential development will be substantially lower - as will the extra cost associated with the market risk/5/.

It should be noted that most vacant residentially zoned properties are small and/or are irregularly shaped parcels. Creative zoning controls and architectural design would be necessary to make feasible new housing development. Based on Assessor records and interviews with brokers and SOM property owners, it is believed that most of these parcels have been owned by the property owner for many years and the property is now owned "free and clear" or the mortgage costs are extremely low. This land cost savings can represent a 25% reduction in monthly occupancy costs. Increased density

through creative zoning controls can further reduce per unit monthly occupancy costs. Direct and indirect public subsidies to new housing development in the western SOM can make the small, in-fill, rental housing development economically feasible. This will not, however, represent a significant increase in the area's overall housing stock as there are only about 240 developable parcels in the western SOM (vacant or temporary parking lots); of these 240 lots, only about 15% lie within or adjacent to residential neighborhoods and would be appropriate for new housing development.



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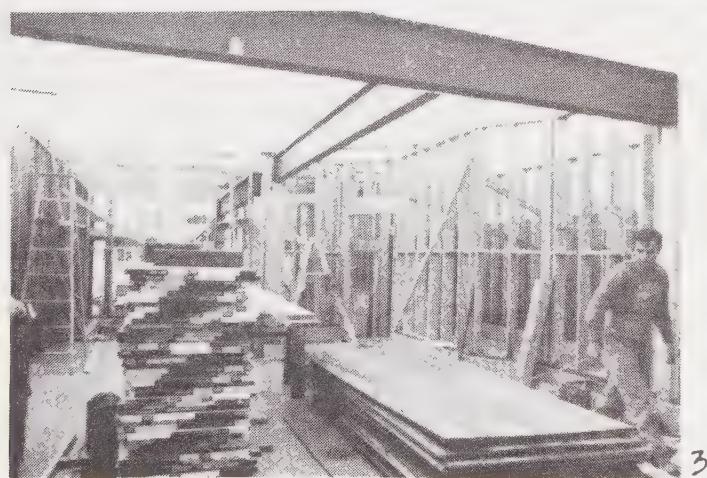


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IN-Fill housing
under construction



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A



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F. SOUTH OF MARKET BUSINESS ACTIVITY

Within the greater South of Market area lie a myriad types and mixtures of business activities. Small, start-up businesses share space with large manufacturers who have been in the area for generations.

The South of Market business community has a fascinating texture and fabric -- the oddest assortment of business activities share space, are neighbors, and do business with one another. It is not uncommon for artists, metal fabricators, restaurants, wholesale beauty supplies, bakeries and musical instrument repair shops to share the same building space. Neon artists, food processors, pawn shops, tourist hotels, auto repair shops and jazz, new wave and gay western and "leather" clubs are oftentimes neighbors on the same block.

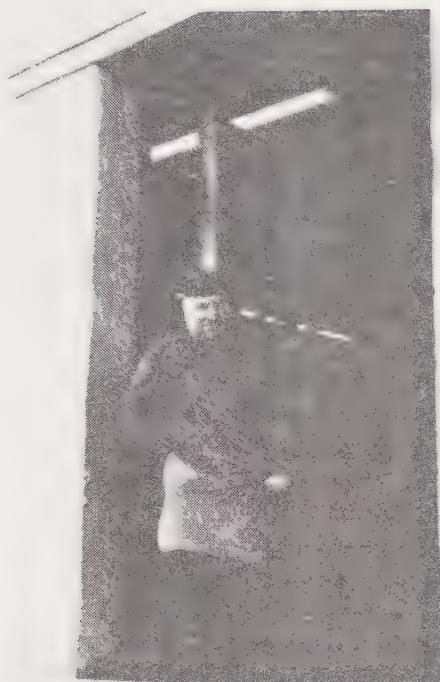
The South of Market business community is a tight-knit community. Although they compete for space with one another as well as limited parking resources, they do maintain a sense of community with one another and appreciate the support services and neighborliness provided by their fellow business operators.

A number of interviews of SOM business operators (employers) and employees were undertaken as part of this rezoning study. A survey of business operators representing various commercial and industrial activities was undertaken in 1984 in order to identify current and projected space needs, location criteria, rent paying ability, employment and market patterns, and growth and expansion plans for these representative SOM business activities. In addition, a comprehensive, statistically-representative sample survey of SOM employers and employees, undertaken in 1982 for DCP, was analyzed in detail in order to identify space, location, infrastructure, and transportation use patterns and needs of SOM businesses as well as employment characteristics including employee household and income characteristics, and residency and commute patterns.

This information is being used to analyze the general health of SOM businesses, to forecast growth and project space needs, location patterns and rent-paying abilities of various business activities, as well as to establish appropriate parking standards and land use (zoning) controls for various industries and geographic areas of the SOM.



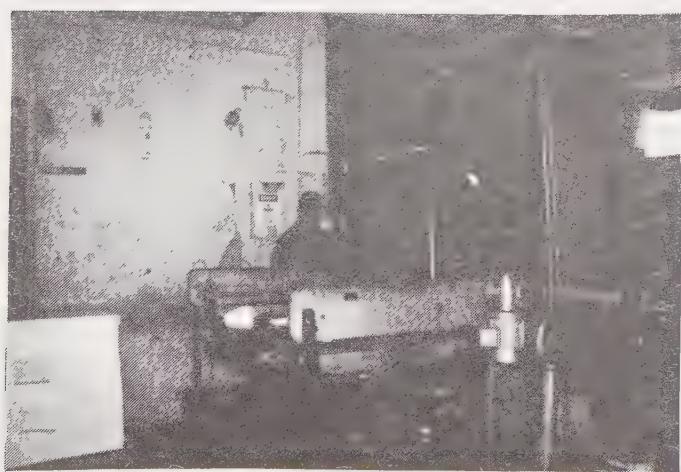
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Surveys of SOM business operators identified location criteria and neighborhood perception opinions for different business activities within the SOM. Businesses surveyed included bar, restaurant, dance hall, art gallery, entertainment and performing art club operators, video sales and repair shop operators, metal fabricators, cabinet makers and wood workers, garment manufacturers, apparel designers and wholesale distributors, graphic designers, architects, wholesale distributors, taxi operators, printers, food processors, social service providers, artists, auto service and sales operators, video editors, furniture wholesalers, interior designers, sign painters, photographers, bicycle messengers, freight forwarders, film distributors, and the like.

When asked in an open-ended question what were the three most important considerations for selecting their present SOM location, the most frequent response by all business operators were (in order of frequency): (1) affordable rent/price for space; (2) close to support services; (3) convenient location/close to clients (see Table 3).

When asked what they liked about the South of Market area, the most frequent responses were: (1) low rents/convenient location; (2) nearby services; and (3) nice people and neighbors.

When asked what they disliked about the South of Market area, the most frequent responses were: (1) the presence of transients and street people; (2) lack of on-site or nearby parking spaces for business vehicles and employee vehicles; (3) rising rents; and (4) lack of affordable expansion space within the area.

When asked what were the most urgent problems within the SOM, the most frequent responses were: (1) commercial encroachment (competition for space from higher rent-paying business activities); and (2) parking congestion.

The responses did not vary by business activity or industry type with the exception of businesses which have early or late shifts. In these instances, employers cite parking problems as a most urgent problem because both male and female employees are extremely reluctant to walk more than one block distance before dawn or after dark to get to their car. Employees were cited to be afraid of the street people and are reluctant to work early or late shifts. In addition, some employers believe they are unable to attract experienced employees to the area because potential job applicants are "turned off" and/or "frightened" to come into the area because of the presence of transients and street people. Parking within one block walking distance is extremely difficult to assure these employees, and transit service is inconvenient during the off-peak hours.

A great many SOM businesses network with one another -- purchasing materials needed to produce their own goods and services, and hiring local businesses to service their own business management and building and equipment maintenance needs.

Within certain industries, ancillary businesses will concentrate and locate in close proximity to one another. Printers will locate next to their typographers, photographers, film and camera suppliers, graphic artists and

other suppliers. The interior space planners will locate next to the cabinet makers, light fixture manufacturers, blueprint services and other suppliers who produce their prototypes and other client products. The film and video editors locate next to their equipment suppliers, graphic designers, sound studios, computer software programmers, and camera crews. Clothing manufacturers will locate next to the cutters, wholesale thread outlets, machine repair shops, apparel designers and wholesale distributors. Some businesses concentrate for the convenience of the customer -- comparison shoppers or patrons who wish to have choice of facilities within walking distance; furniture showrooms, dance halls and bars, restaurants, clothing outlets, and auto repair services. These types of businesses form their own clusters and are limited to a small area within the SOM.

Most SOM businesses are specialty manufacturer or service activities that serve the broader, citywide resident population, port-related activities, or the downtown tourist and office industries.

Most of the SOM retail and business service establishments are location sensitive; they have established a strong location identity and need to be close to their clients and customers. 73% of those retail and business service establishments surveyed as part of this rezoning study have been in their present location for over 10 years; 27% have never moved.

70% of surveyed manufacturing establishments have been in the same location for over 10 years; 14% have never moved. 83% of those who have moved within the last 30 years have moved from another SOM location.

60% of sales and wholesale distribution establishments have been in the same location for over 10 years; 12% have never moved. 73% of those who have moved within the last 20 years have moved from another SOM location, while the remaining 27% have moved to the SOM from the Jackson Square/Northeastern Waterfront area.

43% of office-related establishments have moved within the last 7 years; all have moved within the last 20 years. 35% have moved from the C-3 portion of the SOM; 26% moved from the north of Market C-3 district; 13% moved from another SOM location; 9% moved from the Northeastern Waterfront area; 8% moved from the Bayshore or Civic Center area; and 9% moved from out of town.

For the most part, the SOM business community is a healthy, stable community of small businesses serving the broader, citywide resident population and the downtown visitor and office industries.

G. BUILDING STOCK CHARACTERISTICS

Most of the area's commercial building stock is old, having been built in the decade after the earthquake. The SOM commercial stock is generally 2 to 4 story brick, or steel-reinforced concrete industrial-stylized loft buildings, or storefronts with housing above. Most of these industrial-stylized buildings share a common architectural character and many of the buildings are quite handsome.

Quite a number of modern, highrise office buildings have been built along the northern edge, the YBC area, and the northeasternmost portion of the SOM.

Except for these new office buildings, some recently converted warehouses (now offices), and one or two new retail or industrial buildings, most of the SOM commercial building stock, although in generally sound condition (having been inspected in 1968 and brought up to code by 1970), does not meet the more stringent seismic and fire safety standards of the current (1983) Uniform Building Code (UBC).

The UBC is the standard used by all of the cities and states in the western region of the nation. It is believed, however, that most cities, particularly those in the Bay Area, do not enforce the UBC in older buildings as stringently as does San Francisco. It is believed that because of the 1906 earthquake and fire, San Francisco is much more sensitive to seismic and fire safety issues, particularly in the area of the city that was most affected by the 1906 fire -- the "fire zone", which encompasses most of the eastern portion of the SOM.

Although generally sound, most of the SOM commercial building stock is old, small-scale, lacks adequate parking facilities or room for expansion, and can be considered substandard with respect to recently adopted seismic and fire safety building code standards. Buildings located above the filled Mission Creek and Marshlands have experienced differential settlement over the years and are still "sinking" over time. These buildings are more expensive to rehabilitate.

Generally, a change in occupancy for a building (e.g. auto repair garage converting to a print shop) triggers the UBC seismic and fire safety requirements, the costs of which average about \$30 a square foot for raw industrial space.

If a print shop wishes to lease 10,000 sq.ft. in a portion of a 50,000 sq.ft. building also occupied by an auto body shop and a cabinet maker, the property owner will generally apply for a building permit to install partitions, electrical outlets and specialized lighting for the printer. This building permit application triggers the change of occupancy permit process and requires the property owner to install seismic safety (lateral bracing) improvements and fire safety improvements (sprinklers) for the entire building, not just the printer's space. The costs of these improvements are so great that they cannot be amortized over the term of the tenant or tenants lease. If it were, it would represent a doubling or quadrupling in rent and would make the rent prohibitive for industrial tenants. Because of this problem, industrial tenants are extremely reluctant to move from their existing space and often choose to "crowd up", make more efficient use of their space, buy smaller equipment, and rent storage space in distant locations rather than expand their space or move to another facility. This effectively limits business growth and productive capacity and efficiencies for SOM businesses. However, because most SOM businesses prefer to remain in the area (are location sensitive) and are unable to pay the higher rents for larger space (are rent sensitive), many choose to "make do" with their present space.

Fifteen years ago industrial/warehouse space rented for \$.10 to \$.15 per square foot. Many of the businesses were able to buy their buildings at reasonable prices. Current rates for comparable space range from \$.30 or \$.60 -- the lower rate going to large space users in raw, unserviced warehouse

space and the higher rate going to small space users. Wholesale showroom and office-type tenants are paying \$1.10 to \$2.00 per sq.ft. for fully serviced space (utilities and janitor service -- no parking) while retail space generally goes for \$1.25 per sq.ft. Although the softening of the office market throughout the City has left most of the SOM converted office buildings vacant, they are still being offered at \$2.00 per sq.ft.

Because of the inventory of office space in the SOM, rental rates in the SOM are considerably higher than in other industrial areas of the city. This is due primarily to competition for "near to downtown" space by higher income-generating and rent-paying uses such as architects, designers, data processors, lawyers, wholesale distributors, consultants, bars, restaurants, the Showplace wholesale businesses, and other "back office" activities.

Raw industrial space in the India Basin, Bayview and Hunters Point districts is being offered at from \$.30 to \$.50 per sq.ft. for both large and small space. By far, the greatest demand for space citywide is by small space users (3,000 to 5,000 sq.ft.). This type of vacant available space is virtually non-existent in the SOM and there is a 2 to 3% vacancy rate for this type of space in the City's other industrial districts.

To date, commercial/industrial rents in the SOM industrial district west of YBC have not been affected by residential rents or by competition for space by residential tenants or new residential development. On the contrary, commercial activities have outbid residential tenants for space. Since 1980, over 200 apartments and flats have been converted to retail or office use. Over the past three years, a substantial number of SOM artists have reported evictions from their live/work studios because the property owner wished to convert his industrial loft building to office use. Retail activities and industrial activities generally locate in ground floor space and have not been competing with the artists or wholesale/warehouse activities for upper level loft spaces although they do compete with ground floor industrial/service tenants.

H. Employment and Space Characteristics

The following section briefly describes the major findings of the 1982 SOM employer/employee survey. It describes existing business and employment characteristics and space utilization patterns within the industrially-zoned portion of the South of Market, generally the area south of Folsom Street and within the Special Use District (see Figure 5)/6/. The portion north of Folsom Street and not within the SUD lies within the C-3 district and is described in the Downtown Plan and Downtown Plan EIR. For the purposes of this analysis, the description of SOM commercial and industrial activities will be limited to the area within the SOM Special Use District, and the area presently zoned M-1, M-2 south of Folsom Street.

Employment Categories

Forty-six percent of SOM/F (South of Folsom Street) employees are office workers; 25% are in sales and distribution; 19% are business or personal service workers; and 10% are in manufacturing.

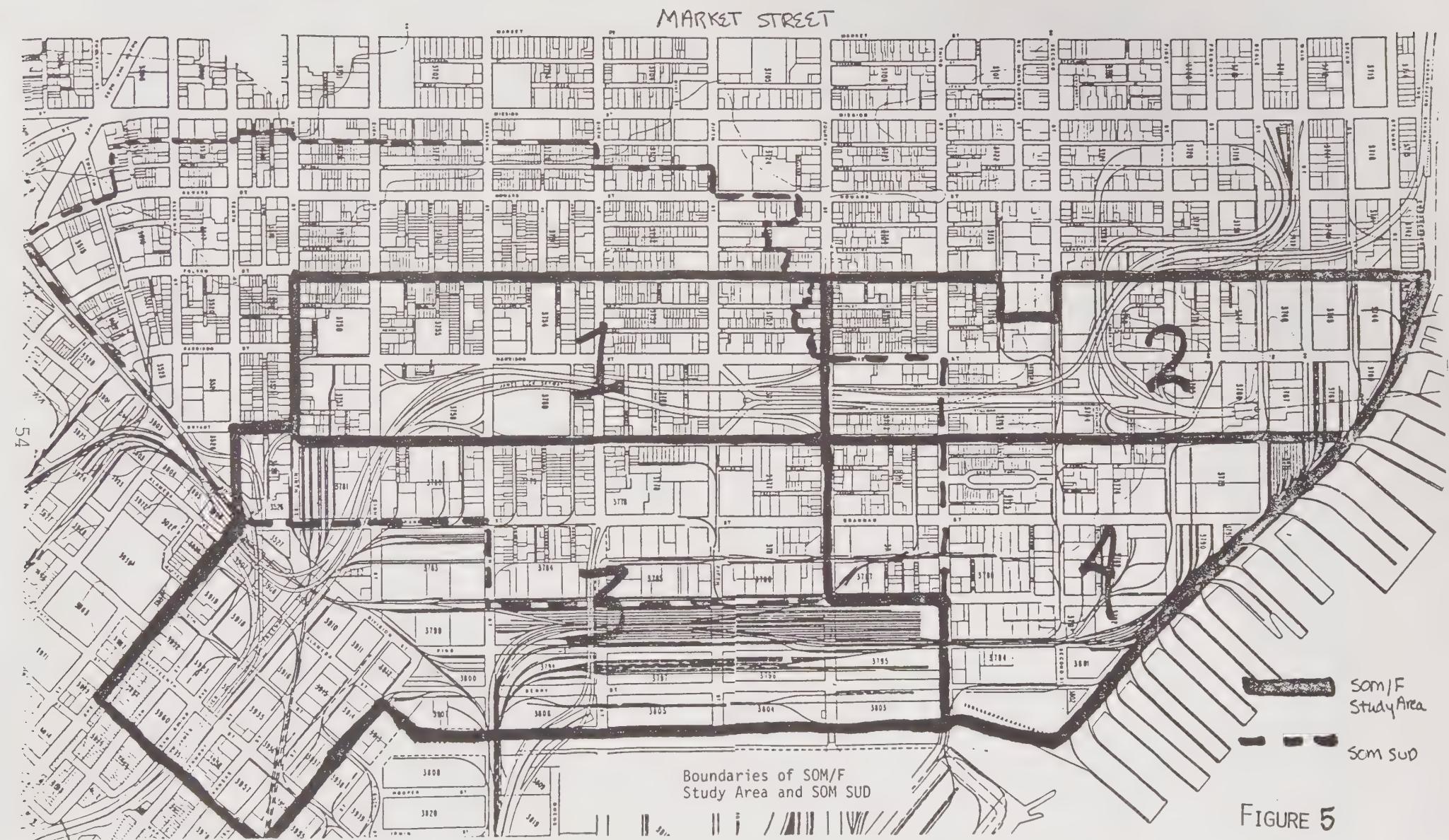


FIGURE 5

Office Activities

Business activities occupying office space in the South of Market industrial area (SOM/Folsom Study Area) include establishments engaged in administrative, information processing, and professional service functions. These include the office functions of companies in many different industries. Overall, employment in office business activities is estimated to represent about 46% of total employment in the SOM/F Study Area (see Table 7).

Office activities are described in Table 8 of the Appendix according to the industry group classification of the companies with office functions located in the Study Area. It is also possible to describe office activities by the type of function they serve for the business -- "back" office, professional service, government office, and accessory office activities. The discussion which follows is organized according to these four broader categories and refers to the industry groups (see Table 7).

"Back Office" Operations of Larger Companies.

The Study Area includes the "back office" operations of larger companies. These include administrative and professional functions (personnel, training, division or regional management, etc.) and data processing (accounting and other record keeping and clerical work). These operations are often referred to as "back office" because they do not include the executive headquarters and high level, "front office" corporate management operations (which are not located in the Study Area). Examples of the back office operations in the Study Area include phone company facilities, oil company credit card centers, bank data centers, and office support facilities for downtown retail establishments. With reference to Table 7, back office activities represent most of the Study Area office employment in the TCU industry group, and large shares of the office employment in the FIRE, retail trade, and manufacturing/mining groups.

These types of operations are relatively labor-intensive and use large amounts of space (often requiring large, continuous floor areas). Thus, they seek locations that are accessible to large numbers of workers (considering both proximity to residential areas and transportation accessibility), and they are sensitive to space costs, usually seeking moderately priced space. The SOM/F Area has met these criteria because it is on the periphery of the downtown area and is accessible to a large labor pool. For some companies, it has also been important to retain accessibility to their other operations located elsewhere in downtown San Francisco.

Back office operations include the largest employers in the SOM/F Study Area. In terms of total employment, it is estimated that back office facilities include about 40% of the office employment in the Study Area (about 5,000 jobs in 1982) and about 18% of all SOM/F employment. (Two large facilities alone employed over 3,000 workers in 1982.) The larger office employers are generally housed in their own buildings developed specifically to meet their company's needs.

TABLE 7: SOM/F STUDY AREA EMPLOYMENT BY BUSINESS ACTIVITY, 1982

<u>Business Activity(a)</u>	<u>Estimated 1982 Employment</u>	<u>Percent of Total Employment</u>
Office (administrative, information processing, and professional service functions in office space)	12,430	46.5%
Manufacturing and Mining	2,140	
Transportation, Communications, and Utilities (TCU)	3,700	
Finance, Insurance, and Real Estate (FIRE)	1,150	
Wholesale and Retail Trade	630	
Business and Professional Services	2,220	
Government	2,590	
Services (businesses providing a service in other than office space)	5,010	18.8%
Construction and Related	1,360	
Transportation, Communications and Freight and Warehousing	2,490	
Repair, Auto, Building, and Other	1,000	
Social Services	160	
Sales/Distribution (sales, display, and warehouse functions and including eating, drinking, entertainment, and recreation activities)	6,600	24.7%
Sales>Showrooms (wholesale and retail)	3,340	
Distribution	2,660	
Convenience Retail, Eating and Drinking, Entertainment/Recreation, Lodging	600	

(Continued)

TABLE 7: SOM/F STUDY AREA EMPLOYMENT BY BUSINESS ACTIVITY, 1982
 (Continued)

<u>Business Activity(a)</u>	<u>Estimated 1982 Employment</u>	<u>Percent of Total Employment</u>
Manufacturing (production, processing and printing functions in industrial space)	2,660	10.0%
Printing, Photography and Related	950	
Apparel and Related	600	
Metals, Machinery, Electrical Components and Equipment	450	
Food Products	400	
Other	260	
Subtotal	26,700	100.0%
On-site Building Maintenance and On-site Construction	550	
TOTAL	27,250	

NOTE: The employment estimates were developed through economic analysis which relied heavily on the SOM/F Employer Survey. Actual employment figures for the firms interviewed were used to adjust initial estimates in the 1981/82 Land Use Inventory done by the Department of City Planning. The Employer Survey was used to identify the mix of types of businesses and businesses functions. Refinements to the estimates were made based on field observations, land use inventory data, and citywide employment statistics. Separate estimates were prepared for on-site building maintenance and on-site construction employment based outside the Study Area since these workers were not covered by the survey sampling procedures.

- (a) Business and employment are categorized into business activity groups according to the primary business function performed on-site. Detailed description of the types of business activities and functions included in each group is provided in Tables 8 through 11 of the Appendix.

SOURCE: Recht Hausrath & Associates

Small Companies Including Many Professional Service Businesses.

The Study Area is also the location of many small businesses in office space. Most provide business and professional services such as advertising, graphic arts and design, architecture, engineering, consulting, legal services and data processing. There are also small firms engaged in emerging technology businesses such as computer graphics, micro-computer software, and film and video work. In addition to professional service businesses, there are wholesale and manufacturers sales representatives as well as the office operations of importers and exporters. There are also smaller operations of finance, insurance, and real estate companies. Altogether, it is estimated that employment in these types of office businesses represents about 25% of total office employment in the Study Area and about 11% of all SOM/F employment.

These types of smaller companies have located South of Market because, as one employer stated, "it offers space within a reasonable distance at a decent price". Among office uses, these companies are relatively low rent-payers and generally seek locations of the periphery of the downtown area. However, they also value proximity to the downtown (and to other businesses) and the positive business image offered by a San Francisco address. For many owners and employees, working in an urban setting and in low scale, older buildings in a former warehouse/industrial district is an attraction.

Government Offices.

About 20% of Study Area office employment is represented by government activities and most of this employment is in the City's Hall of Justice building. This facility includes the administrative offices of several local government departments as well as the municipal courts. There is also some federal government employment in the old, federal facilities remaining in the area. Both the Hall of Justice and the federal facilities were built in the Study Area because it provided centrally located, accessible, large, relatively low cost sites in proximity to the Civic Center (in the case of the Hall of Justice) and to other downtown areas. Government office represents about 9% of all SOM/F employment.

Mid-size Companies and Older Establishments.

The remaining 15% of office employment is in a variety of office business activities. There are some mid-size companies with all of their operations in one facility. These firms often prefer their own small building, like to have some parking available, value proximity to the downtown area, and seek the image of a San Francisco location. Examples include such businesses as book publishing, insurance, and larger architecture and engineering firms.

There are mid-size companies and other office activities which are in the SOM/F Area because they have been located here for many years. For example, union headquarters and hiring halls located here in the past because of their need to be near the operating waterfront. Other examples are provided by company offices of manufacturing concerns which remain in the area although their production operations have moved to other facilities outside the area. Often these offices remain because they have traditionally been located here and the owners of family-owned businesses prefer to maintain their ties to the City. This activity represents about 7% of all SOM/F employment.

Service Activities

This group of business activities includes firms that provide a service, not a product, and are primarily located in other than office space. Some are located in storefront space that could be categorized as retail; others are in industrial-type space; and others are in special purpose facilities (e.g. post office, auto repair garages, or schools). There is a variety of service businesses in the SOM/F Area. These have been grouped into four categories including: construction companies and related services; transportation, communications, and freight and warehousing services; repair, auto, building, and other services; and social services (see Table 9 of the Appendix). In total, employment in all of these service activities is estimated to represent about 19 percent of total Study Area employment (see Table 7).

The main reasons why these type of service businesses are located in the SOM/F Area are that it provides a central location and offers good freeway access. The level of rents, the types of space available, the availability of parking for company vehicles, and the degree of congestion are also important factors. Proximity and accessibility to downtown businesses are important to some service firms.

Service businesses in the SOM/F Study Area include firms that serve markets throughout the Bay Area, some that primarily serve San Francisco, and others dependent largely on downtown business activity. In the SOM/F Employer Survey, relatively few of those interviewed identified downtown activity as the only or the primary source of their business. The courier companies located in the SOM/F Area provide an example of a type of business that primarily serves the downtown area. While other businesses said they serve the downtown, most said they also serve customers/clients in other parts of San Francisco or throughout the Bay Area. For example, the construction companies and companies which service commercial buildings do business in the downtown and in other areas. There are also companies such as those that repair products (electrical equipment, appliances, automobiles) that do not generally serve downtown businesses.

Many of the service businesses interviewed in the Employer Survey indicated that a location in the Study Area was not of major importance to the operation of their business. They indicated a willingness to trade-off the advantages of such a central location and good freeway access with other factors such as the level of rents, congestion, and parking. The extent of such trade-offs varies among service businesses, being affected by the markets that each serves and by whether the service is largely performed off-site (such as parcel/package delivery, services to buildings, construction) or on-site (such as most auto and product repair).

The service group also includes a small amount of activity in social service facilities. Generally, these activities serve the local area including such community facilities as a fire station, school and daycare center, and health clinic. These activities are both location and rent sensitive. These activities represent only a small percentage of the economic activity and employment in the total services group.

Sales/Distribution Activities

Business activities in this group are involved in sales, display, and warehouse and delivery functions. Overall, it is estimated that these types of businesses account for about 23% of total employment in the Study Area. These activities can be described in two groups: sales/showrooms and distribution activities (see Table 10 of the Appendix).

Sales>Showrooms

This group includes businesses engaged in wholesale and retail sales and display functions. Some are located in storefront space, others in specifically designed showroom space, and some (such as auto parts sales) in what might be considered industrial space. Some facilities include on-site warehousing. Sales>Showrooms account for 51% of the Sales/Distribution category employment and represent about 12% of total SOM/F employment.

The sales/showroom activities in the Study Area include the sales of a variety of different types of goods. The largest overall amounts of Study Area space and employment are engaged in the sale of furniture and home furnishings and of office equipment, furniture, and supplies. Also apparent in the Study Area are activities engaged in the sale of automobile parts and supplies, flowers, apparel (factory outlets), and miscellaneous shopping goods (such as sporting goods, books, gifts, and jewelry). Convenience retail activities are not included in this group and are discussed in the next section. The activities in this group serve a larger market than only the local area.

It is estimated that in 1982, about 25% of Study Area sales/showroom employment was in showroom space in the Showplace Square area. This area has become a major regional center particularly for furniture and home furnishings showrooms. The businesses located here value the ability to group with other similar businesses in offering a wide range of choice to customers/clients. This enhances the image and attraction of the area as the major center for these types of showrooms. Other location factors of importance are accessibility, the level of rents, the type of space available, and parking.

Other sales/showroom activities are located throughout the Study Area although a large number are located in the blocks from Showplace north to Market Street. Accessibility is a very important location factor to these businesses. The area provides a central location with good freeway access and with proximity to the downtown (particularly for those selling office equipment and supplies). The level of rents and type of space (small or large spaces, visibility from the street etc.) are also important factors. Some businesses value the proximity to other wholesalers or to the Showplace Square area.

Distribution Activities

These activities are involved in warehouse and delivery functions. They are generally located in warehouse and industrial space. Businesses in the Study Area distribute many different types of goods. Those most prevalent include distributors of food products, wine, spirits and other beverages, industrial supplies and equipment, electrical parts and equipment, and apparel and other

general merchandise. This category includes distribution businesses as well as the distribution functions of larger companies (e.g. department store warehouses or manufacturers distribution facilities).

Accessibility for moving goods, space for truck loading and unloading, and proximity for delivery are very important location factors for these types of business activities. The SOM/F Study Area provides good freeway access, proximity to downtown, and is central within the region. These businesses need to move goods efficiently and quickly. The level of rents and types of space available are also very important factors. The areas served by the distribution activities in the SOM/F area vary. They include those delivering primarily to the downtown, those serving other parts of San Francisco as well as the downtown, and those distributing throughout the Bay Area. Distribution activities account for 4% of the Sales/Distribution category employment and represent about 10% of the total SOM/F employment.

Convenience Retail, Eating & Drinking, Entertainment/Recreation, and Lodging

There are convenience retail stores and restaurants and bars located in the Study Area primarily to serve residents and workers in the area. These are generally small businesses located in storefront, retail space. Personal services such as barber shops would also be included in this group.

There are also restaurants and bars, nightclubs and theaters, and health and sports clubs in the SOM/F Study Area which serve customers from a larger area. Many of these activities are focused around Folsom Street. In recent years, these activities have attracted younger people and the gay community. Some of the restaurants, bars, and recreational facilities in the Study Area also serve those employed in the downtown area. These types of activities have located in the Study Area because of the availability of space at relatively low rents and some are attracted by the environment offered by locations in an older industrial area. Some of these uses occupy storefront space, some are in special purpose buildings (e.g. tennis clubs) and others are in large, formerly industrial space.

There are some smaller motels and hotels in the Study Area. The access and visibility from the freeway are advantages to some of these facilities while the availability of older, hotel buildings attracted others.

In total, employment in this group is relatively small, representing about 2% of the total Study Area employment. In many of the tables in this report, data for these activities are combined with the data for the sales/showroom and distribution activities to make up the sales/distribution major group.

Manufacturing Activities

This category includes establishments that produce a product on-site including those involved in production, processing, and printing functions (see Table 11 of the Appendix). These activities are located in industrial space. They represent about 10% of total SOM/F Study Area employment.

It should be noted that artists living in industrial loft space are considered industrial type tenants producing their artwork in their live/work space. Because of problems with the Building Code, these artists have been unable to

secure live/work occupancy permits and are reluctant to be surveyed by the City. They were not included as part of this survey and their business activities, space needs and employment characteristics are not included in these findings. A separate survey of SOM live/work space was conducted by the Department of City Planning to identify live/work space characteristics and space needs and is the subject of a separate report as part of this rezoning study/7/.

Most of the manufacturing activities have been in the Study Area for many years. Some originally located here because of water and rail transportation and because this was the main industrial area of the City. The coffee producers and the iron/metal works are examples of these types of older operations.

Many of the manufacturing activities which remain in the Study Area do so because of investment in existing facilities and because the area is centrally located and provides good freeway access for both suppliers and customers. Some remain because their operations relate to those of other businesses, being a part of larger production processes or buying from and selling to other operations nearby.

Printing and related businesses represent the largest group of manufacturing activities remaining in the Study Area and include about 36% of SOM/F manufacturing employment. These activities value the area's accessibility to the downtown and the types of space available in the older buildings are suitable to their needs. Most work closely with advertisers and graphic designers in the SOM/F and downtown areas.

Apparel manufacturing also remains in the area and provides the second largest amount of manufacturing employment. The activity is primarily that of sewing contractors. These concerns are labor-intensive and seek central locations with good access by public transportation. Other location factors of importance are relatively low rents, accessibility for suppliers and customers, as well as proximity to other sewing factories.

Motion picture production and large scale art workshops (such as for painting, sculpture, or for making theatrical props) also exist in the Study Area and are included in the manufacturing group. These types of activities are relatively new to this area and have been attracted by the availability of large building areas at relatively low rents. The area also provides a central location and the type of environment desired by many of those working in these activities. In addition, a number of food processing and packaging establishments remain in the area. Curiously, one of the city's original oak barrel manufacturers and a blacksmith shop remain in the area, vestiges of our industrial history.

On-site Building Maintenance and On-site Construction

In addition to the business activities described above, there are workers employed in on-site building maintenance and on-site construction activities in the SOM/F Study Area. These jobs are in addition to employment in construction firms and building maintenance companies permanently located in the Study Area. This employment is separately identified since the SOM/F Surveys did not include people working in the Study Area whose base of operation was outside these boundaries.

COMPARISON WITH CITYWIDE EMPLOYMENT

Employment in the SOM/F Study Area can be compared with total City employment only if the Study Area estimates are summarized by the standard industrial categories used in published employment statistics. Table 12 presents this comparison.

About five percent of total employment in the City is estimated to be in the SOM/F Study Area. (For comparison, it is interesting to note that C-3 District employment was estimated to be about 45% of total City employment in 1981.) The percentages of citywide employment for different industry groups in the SOM/F Area vary. The manufacturing and mining, TCU, wholesale trade, and construction industry groups have larger than average shares of employment in the Study Area. In the manufacturing and mining, TCU, and wholesale trade industrial groups, the SOM/F Study Area employment includes workers in businesses spanning the full range of SOM/F business activities: office, manufacturing/production, sales, distribution and services. Construction employment in the Study Area is a large share of citywide employment primarily because of the builders and special trade contractors who have facilities in the area, not because of on-site construction activity.

In all of the other industrial categories identified in Table 12, SOM/F Study Area employment is a relatively small share of citywide employment. Retail trade, FIRE, services, and government are the industry groups where employment is more concentrated in San Francisco's downtown core and Civic Center area or, in the case of retail trade, distributed among the City's neighborhoods as well.

TABLE 12: COMPARISON OF CITYWIDE AND SOM/F STUDY AREA EMPLOYMENT, 1982

<u>Industrial Classification</u>	<u>San Francisco Employment (a)</u>	<u>Estimated SOM/F Study Area Employment (b)</u>	<u>SOM/F Share of Citywide Total (c)</u>
Manufacturing and Mining	49,300	4,800	10%
Transportation, Communication and Utilities	50,700	6,190	12%
Wholesale Trade	34,300	5,380	16%
Retail Trade	71,000	1,320	2%
Finance, Insurance, and Real Estate	88,200	1,350	2%
Services	160,300	4,610	3%
Government	86,500	2,600	3%

(Continued)

TABLE 12: COMPARISON OF CITYWIDE AND SOM/F STUDY AREA EMPLOYMENT, 1982
 (Continued)

<u>Industrial Classification</u>	<u>San Francisco Employment (a)</u>	<u>Estimated SOM/F Study Area Employment (b)</u>	<u>SOM/F Share of Citywide Total (c)</u>
Agriculture	400	--	--
Construction	14,800	1,000	7%
Self-Employed	25,000(d)	(e)	
TOTAL	580,500	27,250	5%

- (a) State of California Employment Development Department (EDD), Annual Planning Information, San Francisco City and County, 1984-1985, May 1984. Citywide employment data for 1982 are only available for the month of December of that year. Citywide annual average employment data by industry are not available from EDD for 1982. Comparison of December data with annual average data for past years indicates that December totals are generally two to three percent higher than the annual average for total employment. Most of the difference is in retail trade and services employment, reflecting above average hiring during the holiday season in these industries. These likely differences between December data and annual averages are not large enough to change the comparison of the SOM/F Study Area estimated employment to citywide employment.
- (b) Recht Haurath & Associates estimates.
- (c) The SOM/F Study Area shares for individual industries may be high, because the SOM/F employment estimates by industry include the self-employed and the citywide data by industry do not. This is unlikely to make a significant difference in the percentages.
- (d) Recht Haurath & Associates estimate based on information from the Bureau of Economic Analysis (BEA), Regional Information System, Employment by Type and Broad Industrial Source 1974-79, April 1981. The number of self-employed ranged from four to five percent of total wage and salary employment in the years 1974 through 1979.
- (e) Self-employed workers in the SOM/F Study area are included in the estimates for each industry group.

SOURCE: Recht Haurath & Associates

EMPLOYMENT DENSITY

The relationship between employment and space use is expressed in terms of employment density: the average amount of space occupied by an employee. Employment density varies by type of business or function. Table 13 shows the average employment densities for the major business activity groups in the SOM/F Study Area, as well as average densities for the detailed subgroups.

Office is the most dense (least space per employee) of all business activities in the Study Area, with an overall average density of 398 gross sq. ft. of space per employee. Within this category, there is a wide range of densities, reflecting the variety of office functions and space use characteristics for office activities located in the SOM/F Study Area.

At the lowest end of the range for office activities are the employment densities for services and the offices of manufacturing and mining companies. Design-related services, such as architects, engineers, graphic designers, and advertising agencies, as well as trade and membership organizations with meeting and assembly facilities, account for the low employment density for services. The density reflects the space needs of both smaller companies new to the area and more traditional South of Market establishments. The lower than average density for manufacturing and mining company activities in office space reflects the relatively less intensive occupancy of space in older facilities where products are also stored or where the manufacturing functions are no longer performed in the headquarters facility.

The densities for retail trade and finance, insurance, and real estate are closer to the overall average for office. These types of business activities are fairly typical of most back office and administrative operations, with no unusual space use characteristics.

The highest density office activities are government and transportation, communications and utilities (TCU). Government office employment is the most dense of any business activity in the Study Area. This average density reflects conditions in a few major City and Federal government facilities. The high density for TCU reflects the relatively intensive use of space in the large, back office centers located in the Study Area.

Manufacturing business activities in the SOM/F Study Area show the next highest employment density, at an average of 567 gross sq. ft. of space per employee. Again, the range is broad, with apparel manufacturing estimated at only 165 gross sq. ft. per employee, while the older metal, electrical, and food products facilities have considerably more space per employee. The predominance of printing and related manufactureing businesses in the Study Area is reflected in the closeness of this density to the overall average.

Service business activities, at an average of 655 gross sq. ft. per employee, are somewhat less dense than manufacturing activities. Within services, the higher than average densities are in the construction-related services such as contractors and builders which have functions similar to office activities, and in transportation and communications services, which include couriers, and other employment-intensive activities. The higher than average density for these activities is offset by the low employment density of warehousing,

TABLE 13: SOM/F STUDY AREA EMPLOYMENT DENSITIES BY BUSINESS ACTIVITY, 1982

<u>Business Activity</u>	<u>Estimated Average Employment Density (gross sq. ft. per employee) (a)</u>
<u>Office</u>	<u>398</u>
Manufacturing and Mining	696
Transportation, Communications, and Utilities	170
Finance, Insurance, and Real Estate	252
Retail Trade	265
Wholesale Trade	214
Services	950
Government	106
<u>Services</u>	<u>655</u>
Construction and Related	301
Transportation, Communications, and Freight and Warehousing	439
Repair, Auto, Building and Other	1,648
Social Services	777
<u>Sales/Distribution</u>	<u>947</u>
Sales/showrooms	721
Distribution	1,234
Restaurant	280
Convenience Retail	350
Lodging	822
Sports/Recreation/Entertainment	2,500
<u>Manufacturing</u>	<u>567</u>
Printing, Photography and Related	524
Apparel	165
Metals, Machinery, and Electrical Components and Equipment	800
Food Products	938
Other	685

NOTE: The average employment densities are estimated from analysis of the 1982 South of Market/Folsom Employer Survey, with the exception of the densities for the following business activities: social services, convenience retail, lodging, and sports/recreation/entertainment. In the case of these business activities not covered by the SOM/F survey information, appropriate densities from the C-3 District Employer Survey conducted for the Downtown Plan EIR were used, together with other information, as appropriate.

(a) Gross square feet of occupied building space per employee. Does not include allowance for vacant, unoccupied space.

SOURCE: Recht Haustrath & Associates

postal service, and other large package delivery facilities in this subgroup. The lowest density service activities are social services, and repair facilities. The employment density for repair services represents the larger amounts of space needed for machinery and equipment, and actual workspace, in the many automotive service, auto-body, and other repair facilities located in the South of Market/Folsom area.

The sales/distribution group has the lowest overall employment density (most space per employee), at 947 gross sq. ft. per employee. The two major subgroups both have relatively low densities on either side of the average. Distribution facilities (with associated storage space and space for vehicles) have the lowest density of any subgroup in the Study Area. Businesses devoted primarily to sales and showroom activities have higher densities but are relatively less dense than most other Study Area activities, reflecting the space needed for product display and some storage. Although the other subgroups in this category account for a relatively small share of the employment and space in the Study Area, their density characteristics differ enough to warrant identifying them separately in Table 2, for comparative purposes.

EMPLOYMENT AND SPACE BY BUSINESS ACTIVITY

Estimates of the amount of space occupied by each of the business activities in the SOM/F Study Area are shown in Table 14, with the corresponding employment estimates. The Table also shows vacant space and total space in the Study Area. Residential space and small amounts of other uses, such as churches and utility substations, are not included in these totals. Throughout this section, the term "space" refers to building area, exclusive of these uses. Housing in the South of Market Study Area is discussed in previous sections of this report.

There is a total of about 19 million gross sq. ft. of space in the Study Area. About three million gross sq. ft. (16% of the total) are vacant. A significant percentage of this vacant space is in converted warehouses being offered as office space. Overall, there is a 2 to 3% vacancy rate for habitable industrial space in the SOM. A 7% vacancy rate is considered healthy for business growth.

The largest amount of occupied space is in the sales/distribution category. Over six million gross sq. ft. (39 percent of all the occupied space) is used for sales and showroom activities, distribution, and related storage. A relatively small part of this total is in convenience retail, restaurant, hotel/motel, and recreation/entertainment use. Space in office use accounts for the next largest amount of building area--almost five million gross sq. ft. of space. This includes industrial and warehouse space that has been converted to and occupied by office activities. Service business activities occupy just over three million gross sq. ft. of space; manufacturing activities occupy about 1.5 million gross sq. ft. of space. Together, services and manufacturing account for almost as much occupied space as office activities.

The distribution of space among the four business activities differs from the distribution of employment. This reflects relative differences in employment density. Comparison of the employment and space columns in Table 4 indicates that, while sales/distribution is the largest space use category, it is the

TABLE 14: SOM/F STUDY AREA EMPLOYMENT AND SPACE BY BUSINESS ACTIVITY, 1982

<u>Business Activity</u>	Employment		Space (000 Gross Sq. Ft.)	
	No.	Percent of Total	No.	Percent of Total
Office	12,430	46.5%	4,948	30.9%
Services	5,020	18.8	3,302	20.6
Sales/Distribution	6,590	24.7	6,253	39.1
Manufacturing	2,660	10.0	1,501	9.4
Sub-Total	26,700	100.0%	16,004	100.0%
On-Site Construction and Building Maintenance	550	Vacant Space	3,019 (a)	
TOTAL EMPLOYMENT	27,250		TOTAL SPACE	19,023

NOTE: The estimate of total space is from the 1981/82 SOM/F Land Use Inventory. It is measured in terms of gross sq. ft. of building area. The space has been categorized by business activity after analysis of the Inventory and the 1982 SOM/F Employer Survey results. Residential and other non-commercial space (e.g., churches, utility substations) are not included in the estimate of total space. Vacant space is estimated from both the Inventory and the Survey results.

(a) 15.9% of total space.

SOURCE: Recht Haurath & Associates

second largest employment category, with only about half as much employment as the largest category, office. With over 12,000 employees, office accounts for almost one-half of all SOM/F Study Area employment. All of these workers occupy only 30 percent of the occupied space in the Study Area, however. The relatively low employment densities for sales, showroom, and distribution activities and the relatively high employment densities for office activities explain these differences.

EMPLOYMENT AND SPACE BY SUBAREA

Building Area

The business activities in the large SOM/F Study Area are diverse, as are the types of buildings and locations. Because of both the types of space available and the characteristics of various locations, similar businesses are concentrated in certain parts of the Study Area. An overview of business, employment, and space use by subarea highlights the distinctive characteristics of various locations.

Table 15 summarizes employment and space by subarea, with detail for both occupied and vacant space. The four subareas were defined for transportation analysis purposes, not on the basis of land use or zoning characteristics. (See Figure 6 for the delineation of the subarea boundaries.) These areas provide a basis for characterizing the distribution of activities within the SOM/F Study Area, though the boundaries were not drawn for this purpose and should not be interpreted as the geographic limits of any particular characteristics described below.

Subarea 1

Subarea 1, the north-west corner of the Study Area (generally Folsom to Bryant, 4th to 8th Streets) has more employment relative to space than any of the other subareas. There is a relatively small amount of vacant space in this subarea, only eight percent of all of the vacant space in the Study Area. Moreover, the space that is occupied is more intensively used than space in other subareas. There is more evidence here of the activity of many smaller businesses (with the exception of the City's Hall of Justice), whereas in the other subareas larger facilities or clusters of activity are more characteristic.

Office activities in Subarea 1 are dominated by the Hall of Justice, where the employment density is very high. The Hall of Justice accounts for about 90 percent of the office activity in this subarea; the rest of the office activities are primarily small firms occupying upgraded and converted upper floors of older industrial buildings.

Services and sales/distribution are important activities in this subarea, keeping much of the space, which is located in smaller buildings than in other parts of the Study Area, occupied. Important service activities include machinery and appliance repair services, automotive-related repair, construction and special trades contractors, and some transportation-related activities (e.g. messengers, storage). Much of the retail, restaurant, and lodging activity in the Study Area is located in Subarea 1. There is good visibility and relatively easy access along major north-south and east-west

TABLE 15: SOM/F STUDY AREA EMPLOYMENT AND SPACE BY SUBAREA, 1982

Subarea(c)	Employment (a)		Occupied Space (000)		Vacant Space (000)(b)		Total Space (000)	
	No.	Percent of Total	No.	Percent of Total	No.	Percent of Total	No.	Percent of Total
1	5,620	21.0%	2,640	16.5%	229	7.6%	2,869	15.1%
2	6,190	23.2	2,966	18.5	1,006	33.3	3,972	20.9
3	8,110	30.4	6,207	38.8	919	30.4	7,126	37.4
4	6,780	25.4	4,191	26.2	865	28.7	5,056	26.6
TOTAL	26,700	100.0%	16,004	100.0%	3,019	100.0%	19,023	100.0%

(a) Does not include on-site construction and building maintenance employment, estimated to be about 550 workers in 1982.

(b) As in the other columns in this table, the percents shown here are the percentage distribution of total Study Area vacant space by subarea. They are not the subarea vacancy rate, i.e., the percentage of total space in the subarea that is vacant. These estimates are as follows: Subarea 1 - 8.0%; Subarea 2 - 25.3%; Subarea 3 - 12.9%; Subarea 4 - 17.1%. The overall vacancy rate for the Study Area is estimated to be 15.9%.

(c) See Figure 6 for a delineation of subarea boundaries.

SOURCE: Recht Hausrath & Associates

streets. There is also a concentration of wholesale activity, both sales/showroom and distribution functions. Furniture, auto parts supply, and office equipment and product supply are important sales functions, some associated with related repair service facilities. For the sales/showroom activities, the corridor between Showplace Square and the Merchandise Mart has become an important location. For the distribution activities, freeway access and the central location are key considerations.

Manufacturing is not a dominant activity in Subarea 1. There are a few large fabrication facilities and scattered small production shops. Printing and related trades (binding, lithography, typesetting, photography) have maintained some facilities in this area, though on a smaller scale than in the eastern parts of the Study Area.

The area north of Subarea 1 within the Special Use District is dominated by residential activity. However, the commercial/industrial activity found within this northern SUD area is generally characteristic of that found within Subarea 1.

Subarea 2

Subarea 2, the north-east corner of the SOM/F Study Area (east of 4th Street to the Embarcadero, from Folsom to Bryant Street) also is characterized by a larger share of Study Area employment than space. The space that is occupied, is occupied at a relatively high density. Subarea 2 contains the largest amount of vacant space in the Study Area (one-third of total vacant space). The vacancy in this subarea represents primarily the large industrial and warehouse structures on Rincon Hill or along Second Street that have been vacated pending conversion or demolition. There is also a sizable amount of space already converted to office use that remains unleased and vacant. One-quarter of the total building area in this subarea is estimated to be vacant. Compared to Subarea 1, Subarea 2 appears less intensively developed, in spite of the greater number of large buildings and the relatively higher employment density in occupied space. This is attributable to the vacant lots and parking area under the Bay Bridge ramps and along the Embarcadero.

The occupied space in Subarea 2 is dominated by a few large facilities, primarily office activities at high employment densities. The relatively new AT&T and Pacific Bell office facilities mark the northern edge of Subarea 2 along Folsom Street. Being closest to the downtown office core, Subarea 2 is the primary location for the "back office" (administration, data processing, accounting) functions in the Study Area. Some smaller offices (professional services, FIRE) are filling in converted industrial space in this subarea.

Office activities dominate the employment picture, because of their high employment densities. Large numbers of employees are concentrated in a few major facilities. Employment in the other business activities is scattered among larger buildings on Rincon Hill and many smaller buildings on either side of the Central Freeway. Services are fairly important in this subarea. Again, a large facility--the Postal Service facility on Rincon Hill--is a major contributor. Vehicle repair facilities are located near the Embarcadero. Couriers (messengers, parcel delivery) are concentrated near the freeway access points. There is not much sales/distribution activity in this

subarea relative to other Study Area locations. Food processing and printing are what remain of manufacturing. The few establishments (both large and small) that do remain are representative of their past counterparts, evident now as the large, underutilized, or vacant warehouse and industrial space particularly in the Rincon Hill and Second Street areas.

Subarea 3

Subarea 3 is the south-west corner of the SOM/F Study Area (Bryant to Channel Streets, west of 4th Street to Division and the Showplace Square area). It extends south to include the Showplace Square vicinity and along the Channel to and including the China Basin Building. As opposed to Subareas 1 and 2, Subarea 3 has a larger share of total Study Area space than employment, reflecting the generally lower employment densities for activity in this area. There is also a large amount of vacant space (30 percent of total vacant space in the Study Area). As in Subarea 2, this includes larger warehouse and industrial buildings, many awaiting rehabilitation and conversion to showrooms or offices. A smaller proportion of the total space in Subarea 3 (13 percent of the total) is vacant than in either Subareas 2 or 4.

Subarea 3 has two primary distinctive features; in between, it contains a mix of businesses, employment, and types of space similar to Subarea 1. First, Subarea 3 is the primary location for the sales and distribution functions of the wholesaling industry. Showrooms, storage, and some retail activity are centered on Showplace Square. There are also some older sales and distribution activities near freeway access points (e.g., flowers, meat/poultry, beverages). Second, Subarea 3 is the location for office employment growth primarily in converted space: the China Basin Building and along Townsend Street across from the train station. There is a substantial amount of office employment in this subarea, although the amount of office space is considerably less than the space devoted to sales/distribution activities. Some "back office" activities have located in Subarea 3, such as the Hibernia Bank data processing facility near Showplace Square and the firms (many with ties to downtown headquarters) that have taken advantage of the large floor areas available in the China Basin Building. Typical office tenants elsewhere in Subarea 3 are small firms in professional services (designers, architects, engineers, advertisers, consultants, attorneys), FIRE, import/export, communications (broadcasting, video, publishing), and business services.

Services and manufacturing activities make up the rest of Subarea 3. As in Subarea 1, to the north, the services are a mix of smaller repair, automotive, and construction-related businesses. The manufacturing activities are also generally small facilities: metal products and apparel manufacturing, electrical parts and processes, and printing are examples of the types of manufacturing businesses found in Subarea 3. Quite a number of artists and art-related businesses are located within this Subarea.

Subarea 4

Subarea 4, the south-east corner of the Study Area (Bryant to Channel Street, east of 4th Street), is perhaps the most diverse of any of the four subareas. In other words, no one or two activities set the tone. Similar to Subarea 3,

there is relatively more space here than employment--a pattern opposite from that in the northern subareas (1 and 2). There is about the same amount of vacant space as in Subarea 3, although it represents a larger percentage of the total space in the subarea (about 17 percent), which is somewhat larger than the overall SOM/F Study Area average vacancy of 16 percent.

In terms of employment, office is the dominant activity in Subarea 4. There is also a large proportion of sales/distribution activity, however, evidenced in the amount of space in this category.

The office employment in Subarea 4 is not concentrated in a few large facilities, rather it is distributed among smaller office buildings. Some of these have been in the area a long time as, for example, the administrative and/or headquarters office of a manufacturing firm. Others of the more established offices in this subarea have developed in response to maritime and transportation industry activity, e.g., ship registries, freight forwarders, and import/export businesses. Subarea 4 also has its share of converted office space, along Townsend Street and moving towards the southern part of Second Street around South Park. The smaller spaces in the alleyways that divide these blocks offer interesting space for the offices/studios of designers and architects.

Distribution activity accounts for much of the space use in Subarea 4. There are several large storage, freight, and trucking facilities, with considerably more activity than those in Subarea 2 to the north. Sales activities are fairly diverse, ranging from retail and restaurant on Third Street near the train station to ship chandlers, equipment rental, and factory outlets for the apparel industry.

Services and manufacturing activities are fairly typical of the general mix found throughout the SOM/F Study Area. No large facilities predominate. More of the repair services and manufacturing activities are oriented towards maritime activity needs, but there are only a small number of these businesses remaining. The apparel industry has located along Second and Third Streets in Subarea 4. New Manufacturing ventures (electronics, film, video, and audio production) have also brought new uses to some of the older warehouse and industrial space along the Embarcadero.

Land Area

There is a large amount of undeveloped land in the South of Market/Folsom Study Area. Much of this land is used for parking and storage for equipment or vehicles, such as buses. Another large component is the land designated as right-of-ways for the Bay Bridge, rail lines, and freeways that traverse the Study Area. Some of these right-of-ways are used for parking. The above types of undeveloped land area are generally large sites; there are smaller vacant lots and storage yards scattered throughout the Study Area, often along the mid-block alleyways.

Table 16 shows the amounts of land area devoted to parking and other uses in the SOM/F Study Area, by subarea. Most of the parking is in Subarea 2, with another large amount in Subarea 1. These are the areas closest to the downtown; many of the parking lots are used by downtown commuters. Subarea 3

TABLE 16: SOM/F STUDY AREA UNDEVELOPED LAND AREA, BY SUBAREA, 1982
 (Thousands of Gross Sq. Ft.)

Subarea	Parking		Other Land Area (a)		Total	
	No.	Percent of Total	No.	Percent of Total	No.	Percent of Total
1	972	28.4%	128	3.8%	1,100	16.2%
2	1,503	43.9	513	15.2	2,016	29.7
3	652	19.0	2,324	69.0	2,976	43.8
4	300	8.7	403	12.0	703	10.3
TOTAL	3,427	100.0%	3,368	100.0%	6,795	100.0%

NOTE: This table does not show total land area in the SOM/F Study Area. The estimates are for lots in parking and other uses, where there is no building coverage. The estimates exclude streets.

(a) Other land area includes rail and highway right-of-ways, storage for equipment and vehicles, vacant lots and miscellaneous sites without buildings.

SOURCE: 1981/82 South of Market/Folsom Land Use Inventory

has over two-thirds of the other undeveloped land area in the Study Area. The majority of this land area is rail and highway right-of-way. The San Francisco Recreational Vehicle Park is also included in this total.

The SOM/F Study Area employment estimates do not include estimates of employment specifically associated with this undeveloped land area. Most of the parking lots in the Study Area are unattended. Any employment associated with the storage land area is included in the employment estimate and the employment density estimate of the building area associated with the storage yard.

EMPLOYMENT AND SPACE IN THE SOUTH OF MARKET SPECIAL USE DISTRICT

The South of Market Special Use District (SOM SUD) is not co-extensive with the SOM/F Study Area (see Figure 5). Most of the SOM SUD overlaps parts of the SOM/F Study Area. The SOM SUD includes all of Subarea 1 of the Study Area, most of Subarea 3 (most of the Showplace Square area, the Channel area and the China Basin Building are excluded), and small parts of Subareas 2 and 4 (the blocks between Fourth and Third Streets). To the north of the SOM/F Study Area, the SOM SUD includes areas of C-3 District zoning between Folsom and Natoma. To the west of the Study Area, the SUD includes areas of C-M and M-1 zoning to the Central Freeway.

Employment and space estimates for the SOM SUD were composed from several sources: the SOM/F Study Area analysis, the 1981 C-3 District Land Use Inventory and the employment and land use analyses prepared for the Downtown Plan EIR, and the 1984 Department of City Planning South of Market Land Use Inventory. Table 17 reports the employment and space estimates for the SOM SUD. [These estimates cannot be directly compared to the preceding SOM/F Study Area estimates (for example, the SOM SUD employment as a percent of the Study Area employment), because the complete SOM SUD is not a subset of the SOM/F Study Area.]

TABLE 17: SOM SUD EMPLOYMENT AND SPACE BY BUSINESS ACTIVITY, 1982

Business Activity	Employment		Space (000 Gross Sq. Ft.)	
	No.	Percent of Total	No.	Percent of Total
Office	5,730	28.5%	2,245	18.9%
Services	4,260	21.2	2,601	21.9
Sales/Distribution	7,200	35.8	5,387	45.4
Manufacturing	2,930	14.5	1,621	13.8
Sub-Total	20,120	100.0%	11,854	100.0%
On-site Construction and Building Maintenance	250	Vacant Space	2,046 (a)	
TOTAL EMPLOYMENT	20,370	TOTAL SPACE	13,900	

NOTE: The estimates of employment and space presented in this table were composed from several sources. The SOM/F Study Area data were used for Subarea 1 and the other Subarea data were analyzed to estimate the magnitude and proportion of employment and space by category that should be assigned to the SOM SUD portions of these subareas. For the additional parts of the SOM SUD outside the SOM/F Study Area, estimates of space were tabulated from the 1981 C-3 District Land Use Inventory, the 1981/82 SOM/F Land Use Inventory, and the 1984 South of Market Land Use Inventory. To estimate employment, employment densities from both the C-3 District Downtown Plan EIR Employer Survey and the SOM/F Employer Survey were used, as appropriate. The estimate of vacant space was also derived from a combination of land use inventory information and survey results.

(a) 14.7% of total space.

SOURCE: Recht Hausrath & Associates

Total employment in the SOM SUD is estimated at just over 20,000 workers, about four percent of citywide employment. Most of the employment (36 percent of the total) is in the sales/distribution business activity. This includes some of the sales/showroom activity in the Showplace Square vicinity and extending north towards the Merchandise Mart, but is predominantly of a retail and wholesale supply and distribution character. The northern and western extensions of the SUD also include a large proportion of restaurants, stores, and lodging. Office ranks as the next most important business activity, in terms of employment. One facility, the City's Hall of Justice, accounts for over one-third of this office employment estimate, however. There are other concentrations of office activity along Townsend Street and the eastern edge of the SUD. If the Hall of Justice is left out of the office employment estimate, then office ranks third in terms of amount of employment, after services. Service businesses are of the type described previously for Subareas 1 and 3 of the SOM/F Study Area: small businesses, many involved in repair and automotive activities, construction-related services, and some transportation and communication services. Manufacturing employment constitutes about 15 percent of total employment in the SOM SUD. As with services, these are primarily small facilities; printing and related trades and metal parts and machinery are important components of the manufacturing businesses in the SUD. The one large manufacturing facility still in operation is the Foremost plant (located outside the SOM/F Study Area).

In addition to the employment that can be estimated from the analysis of employer surveys and land use inventories, there is on-site building maintenance and on-site construction employment in the SOM SUD. In 1982, there were a small number of on-site construction jobs due to the conversion of older industrial and warehouse space to offices and showrooms. Most of the 250 additional workers shown in Table 7 are janitorial and maintenance workers.

As in the SOM/F Study Area, the distribution of space by business activity differs from the distribution of employment, reflecting differences in employment density. The sales/distribution use constitutes a larger percentage of occupied space than of employment because of the relatively large amounts of space per employee (low employment densities) in this activity. On the other hand, office activity is less pronounced when measured in terms of space, because of the greater number of workers occupying a given amount of space. The Hall of Justice, with its particularly high employment density (higher than the overall average for office) is an important factor in this distinction in the SOM SUD.

The overall employment densities for the major business activity groups are generally similar to those in the SOM/F Study Area. In each of the groups the density is somewhat higher (less space per employee) in the SOM SUD, however, reflecting the more intensive use of space and the mix of types of businesses in each major group. The highest employment density in the SUD is found in the office category at an average of 392 gross sq. ft. per employee. The manufacturing business activity has the next highest density at 553 gross sq. ft. per employee, on average. The services business activity follows with an average of 610 gross sq. ft. per employee. Business activities in the sales/distribution category have the lowest overall average employment density: 748 gross sq. ft. per employee. The overall density in this last category is the most different from the overall SOM/F Study Area density for the counterpart group (947 gross sq. ft. on average for sales/distribution business activities).

Total building area in the SUD is estimated to be about 13.9 million gross sq.ft. Of this total, about two million gross sq. ft. are vacant, for an overall vacancy rate of 14.7 percent.

The types of activity and space in the SOM SUD are similar to those described in detail for the SOM/F Study Area. The areas that are added to parts of the SOM/F Study Area to make up the SUD are similar in character to Subarea 1 and the SUD parts of Subarea 3: smaller buildings in relatively active use. The higher proportion of retail activity in the SOM SUD compared to the overall SOM/F Study Area contributes to the characterization of the SUD as a somewhat more intensively-used environment. Distinct parts of the SOM/F Study Area are not included in the SUD: The major office areas, wholesale showroom areas, and other locations characterized by large facilities. These are also the parts of the Study Area with relatively large amounts of vacant space, which explains why the vacancy rate in the SUD is lower, as found in Subarea 1 and the SUD parts of Subarea 3.

I. EMPLOYEE HOUSEHOLD CHARACTERISTICS, RESIDENCY AND COMMUTE PATTERNS

As described earlier, 46% of SOM employees are office workers; 25% are in sales and distribution; 19% are business or personal service workers; and 10% are in manufacturing.

Approximately 45 percent of all SOM workers live in San Francisco; 15% commute from Alameda County; 14% commute from San Mateo County; 10% commute from Marin County; 10% commute from Contra Costa County; 2% commute from Santa Clara County; and 1% commute from Sonoma County.

60% of all SOM retail and business service sector employees live in the City, compared to 44% of sales and distribution sector employees; 42% of office sector employees; and 29% of manufacturing sector employees.

62% of all SOM workers in the operative and non-farm labor occupations live in the City, compared to 54% of clerical workers; 49% of non-farm labor workers; 40% of professional occupation workers; 39% of service workers; 40% of crafts workers; 36% of management workers; and 33% of sales workers.

The following sections of the economic setting describe the characteristics of the jobs and workforce in the SOM/F Study Area. Jobs in the Study Area are described in terms of occupations and wages/salaries. The workforce is described in demographic and household terms, as well as by place of residence. The description of SOM/F jobs is based on the results of the SOM/F Employer Survey, while the description of the workforce is based on the results of the SOM/F Employee Survey. All of the tables show both the overall survey results, and tabulations by the business activity of the employer. The tables thus highlight differences that reflect business functions and the match between types of jobs and types of workers.

Most of the tables in the following sections show the percentage distributions of jobs or workers with various characteristics. It is not always the case that the largest percent represents the largest number of workers. Because of the differences in the number of employees in each of the four major business

activities (see Table 7), a relatively small percentage may represent a relatively large number of workers in one business activity, while a relatively large percentage may represent a relatively small number of employees in another business activity. This is especially true when comparing office with the other business activities. For example, office workers have the lowest percentage of workers under age 25, while manufacturing has the highest. There are, however, more office workers under age 25 than there are manufacturing workers under age 25 (eight percent of 12,430 is 994, while 17 percent of 2,060 is 350). The percentage distributions are useful in comparing the mix of types of jobs and workers across business activities.

Characteristics of Jobs in the SOM/F Study Area

This section describes the jobs in the SOM/F Study Area. Jobs are described in terms of occupations and wages and salaries. Detailed analysis of survey data also offers some conclusions about the skill and education requirements of jobs in the different SOM/F business activities.

Table 18 shows the occupation distribution for jobs in the SOM/F Study Area. (Table 19 of the Appendix provides a description for each occupational group.) Both the total and the distributions for the four major business activities are shown. Overall, there is a considerable mix of occupations in the Study Area. One-quarter of the jobs are in clerical occupations, another quarter are in professional/technical occupations. Forty percent of the jobs are split relatively evenly (10-14 percent in each) among managerial/administrative, sales, skilled crafts, and operatives/other occupations. The remaining jobs (five percent) are in service occupations. The distributions for each business activity differ from this overall pattern.

Comparison of the occupational mix of jobs among business activities reveals both differences and similarities in the functions performed by various businesses. For example, while almost 80 percent of office jobs are in the professional/technical and clerical occupations, the other business activities also have some jobs in these categories; most businesses require some form of clerical or bookkeeping function. In office, the relatively high proportion of professional/technical occupations compared to managerial/administrative occupations reflects the importance of businesses providing professional expertise (architects, graphic designers, advertising agencies, attorneys, consultants), as well as the technical jobs in the "back office" operations in the Study Area. There are proportionally more managerial/administrative jobs in the service and sales/distribution business activities than in office. This is explained by the number of smaller service and sales/distribution businesses in the Study Area with on-site managers and proprietors. On the other hand, many of the executive/administrative functions of the larger office activities in the SOM/F Study Area are located elsewhere, such as in the downtown office core.

For the other occupations, the distinctions among business activities are fairly straightforward. Most of the jobs in the sales/distribution business activity are in the sales occupations, including both sales clerks and more senior sales people in showroom and other wholesaling businesses. Service occupations represent a relatively small share of the jobs in all business activities. The preponderance of these jobs in on-site building maintenance

is reflected in the relatively high percentage in the service business activity. There is a substantial share of skilled crafts jobs in both services and sales/distribution business activities, reflecting the industrial (as opposed to office) orientation of many of the SOM/F businesses in these groups (e.g., repair, construction, and product distribution). Skilled crafts, together with operatives and other less-skilled production-related occupations, dominate the job mix in the manufacturing business activity. Operatives and other occupations are important in the services and sales/distribution business activities, representing warehouse, trucking, delivery, and some machine operation jobs.

Table 18 also shows the distribution of Study Area jobs by wage and salary category in 1982. Overall, wages and salaries tend to cluster in the \$15,000 - \$49,999 range, with 70 percent of the jobs in this category. Jobs paying less than \$15,000 account for 20 percent of all jobs in the Study Area, while those paying \$50,000 and above account for ten percent of total jobs.

The distribution of jobs by wage and salary category is fairly similar across business activities. Office has the lowest share in the lowest wage and salary categories (less than \$15,000) and the highest share in the higher categories (\$50,000 and above). Manufacturing shows the highest percentage of jobs in the lowest categories, but also the highest percentage in the \$75,000 and above category. Across all business activities, there are more jobs in the lower than in the higher categories. Most jobs across all business activities are in the middle categories of the distribution.

Information on part-time jobs in the Study Area is presented at the bottom of Table 18. Overall, only a small proportion (six percent) of the jobs are part-time. A higher than average proportion of the jobs in the services business activity are part-time (12 percent), while a lower than average proportion of the jobs in the manufacturing business activity are part-time jobs (two percent). There is often an association between part-time jobs and jobs in the lower wage and salary categories. A relatively high proportion of part-time jobs can help to explain a relatively high proportion of jobs in the lower wage/salary groups. This does not appear to be the case with the SOM/F survey data, however.

The last item on the table, "Percent Work Elsewhere Most of Time", refers to those workers who, in general, do not spend their full work day at their principal business facility in the Study Area. Examples of these types of workers are truck and van drivers, messengers, and sales people. This does not include workers who never report to the SOM/F facility (e.g. out-of-town sales representatives).

Overall, a relatively large percentage of the Study Area jobs are not tied to a single workplace. One-fifth of the workers work elsewhere most of the time. There are significant differences among the business activities. Thirty-five percent of both services and sales distribution workers are in this group, reflecting the prevalence of functions requiring delivery, on-site repair, or construction. The office workers who work elsewhere most of the time are most likely to be those who spend a lot of time with clients or with other branches of their company. Only a small share of manufacturing workers generally work away from their principal place of business.

TABLE 18: OCCUPATION AND WAGE/SALARY DISTRIBUTIONS OF JOBS IN THE SOM/F STUDY AREA, 1982

Occupations(a)			Business Activity			
	Total Jobs, No.	SOM/F %	Office %	Services/On-Site Construction and On-Site Building Maintenance	Sales/ Distribution %	Manufacturing %
Professional/Technical	6,420	23.6	44	11	3	8
Managerial/Administrative	3,760	13.8	13	16	16	10
Clerical	6,800	25.0	34	21	18	7
Sales	2,830	10.4	4	5	29	2
Service	1,340	4.9	3	9	7	1
Skilled Crafts	2,760	10.1	1	17	12	35
Operatives/Other	3,340	12.2	1	21	15	37
TOTAL	27,250	100.0	100	100	100	100
<u>Wages and Salaries (1982 Dollars)</u>						
Less than \$12,000	2,250	8.3	5	10	7	23
\$12,000-14,999	2,700	9.9	8	7	17	4
\$15,000-24,999	10,470	38.4	33	54	41	25
\$25,000-49,999	8,910	32.7	41	21	25	40
\$50,000-74,999	2,700	9.9	12	7	10	5
\$75,000 and above	220	0.8	1	1	small	3
TOTAL	27,250	100.0	100	100	100	100
<u>Percent Part-Time(b)</u>	6%		4%	12%	6%	2%
<u>Percent Work Elsewhere</u>						
<u>Most of Time</u>	21%		11%	35%	35%	4%

NOTE: The occupation and wage/salary distributions shown in this table are the results of the 1982 SOM/F Employer Survey and supplemental analyses for the business activities not included in the survey sample (apparel manufacturing, on-site building maintenance and on-site construction). The data are tabulated by the business activity of the employer. This information is presented to highlight differences among groups. The overall pattern is more accurate than any one percentage.

- (a) Table 19 in the Appendix provides a description for each occupational group.
- (b) This information does not apply to apparel manufacturing, or on-site building maintenance or construction jobs which were not covered in the SOM/F Survey sample.

SOURCE: Recht Haurath & Associates

Table 20 provides other perspectives on the types of jobs in the SOM/F Study Area. One useful way to classify the types of jobs is according to the traditional distinction of white-collar, blue-collar, and service jobs. Another way is to use wages and salaries as a proxy for what might be considered "entry-level" jobs, i.e. those without specific training, experience, or education requirements.

The white collar/blue collar/service distinction is often used to characterize jobs. White-collar implies office and other professional, managerial, and clerical/record-keeping jobs, while blue-collar implies industrial and construction jobs. In many cases, these terms are not clearly defined. The U.S. Bureau of Labor Statistics (BLS) defines white-collar, blue-collar, and service jobs, simply on the basis of occupation. All jobs in professional/technical, managerial/administrative, clerical, and sales occupations are categorized as white-collar. All jobs in skilled crafts, operatives, and other non-farm labor occupations are categorized as blue-collar. Jobs in service occupations are categorized separately. Table 20 shows the SOM/F Study Area jobs according to this classification system.

Overall, nearly three-quarters of the jobs in the SOM/F Study Area are white-collar jobs, according to the BLS definition. About 20 percent are blue-collar jobs, and five percent are service jobs. Table 20 also shows how the jobs in each group are distributed by business activity. Not surprisingly, 60 percent of the white-collar jobs are in office. Sales and managerial occupations in sales/distribution businesses and clerical and managerial occupations in services businesses make up the white-collar component of these activities. There are some white-collar jobs in manufacturing. Blue-collar jobs are distributed fairly evenly among services, sales/distribution, and manufacturing business activities, with small amounts in office, and on-site construction. Service occupations are a relatively small part of the total job picture in the Study Area. They are distributed fairly evenly among office, sales/distribution and on-site building maintenance business activities.

Table 20 also shows Study Area jobs by wage/salary grouping to highlight those at the lower end of the range. Generally, jobs with wages/salaries less than \$15,000 can be considered entry-level positions without specific education and experience requirements. Jobs in the \$15,000 to \$24,999 range include entry-level positions where some education or training may be required, as well as the next rank of jobs for initially unskilled workers who have gained experience and skills in a lower-wage, entry-level position.

About 20 percent of all SOM/F jobs have wages/salaries less than \$15,000 (1982 dollars). Some of these are part-time jobs, but most are entry-level positions. About one-half of these are clerical jobs, primarily in office business activities, but spread among the other business activities as well. Most of the rest of the lowest-paying, entry-level jobs are in service, crafts, and operatives occupations in sales/distribution, services, and manufacturing business activities. These include some retail, restaurant, and lodging jobs, as well as machine operation, delivery, warehouse, and maintenance jobs.

TABLE 20: ANOTHER PERSPECTIVE ON SOM/F STUDY AREA JOBS, 1982

\$25,000 Business Activity	All SOM/F Jobs																	
	Occupations (a)					Wages/Salaries (1982 dollars) (b)												
	White-collar		73%			Less than \$15,000		18%										
	Blue-collar		22%			\$15,000-24,999		38%										
	Service		5%			\$25,000 and above		44%										
	Entry-level Jobs																	
	Less																	
	White-collar	Blue-collar	Service			than \$15,000	\$15-24,999	and above										
	#	%	#	#	%	#	#	#	%	%								
Office	11,860	60	200	3	370	27	1,660	33	4,130	39								
Services	2,900	14	1,950	32	160	12	980	20	2,660	26								
Sales/Distribution	4,320	22	1,810	30	470	35	1,590	32	2,700	26								
Manufacturing	730	4	1,920	31	10	1	720	15	650	6								
On-Site Construction and Building Main- tenance	--	--	220	4	330	25	--	--	330	3								
TOTAL	19,810	100%	6,100	100%	1,340	100%	4,950	100%	10,470	100%								
									11,830	100%								

NOTE: The occupation and wage/salary distributions shown in this table are the results of the 1982 SOM/F Employer Survey and supplemental analyses for the business activities not included in the survey sample (apparel manufacturing, on-site building maintenance and on-site construction). The data are tabulated by the business activity of the employer. This information is presented to highlight differences among groups. The overall pattern is more accurate than any one percentage.

- (a) The white-collar, blue-collar, and service occupational groupings presented here are as defined by the U.S. Bureau of Labor Statistics (BLS). White-collar jobs are those in the professional/technical, managerial/administrative, clerical, and sales occupations. Blue-collar jobs are those in the skilled crafts, operatives, and other non-farm labor occupations. Service jobs are those in service occupations.
- (b) These wage and salary groupings highlight the categories at the lower end of the range. Generally, jobs with salaries less than \$15,000 can be considered entry-level positions without specific education and experience requirements. Jobs in the \$15,000 to \$24,999 range include entry-level positions where some education or training is required, as well as the next rank of jobs for initially unskilled workers who have gained experience and skills in a lower-wage, entry-level position.

There are about twice as many jobs in the \$15,000-\$24,999 wage/salary category (about 40 percent of all Study Area jobs). Most (60 percent) are clerical and operatives jobs, and they are well-distributed among the office, services, and sales/distribution business activities. This accounts for the majority of the SOM/F jobs in these occupations. When paired with the data in the lowest wage/salary category, this suggests opportunities for advancement from entry-level positions in these occupations. About 20 percent of the jobs in the \$15,000-\$24,999 wage/salary range are in professional/technical and managerial/occupations. These are primarily office workers with some technical skills or administrative experience, and lower-level managers in sales and services businesses.

Over 40 percent of the Study Area jobs pay wages and salaries of \$25,000 or more (1982 dollars). The professional/technical and managerial/administrative occupations in office activities appear predominantly in jobs paying \$25,000 and above. The higher-paying jobs are not limited to white-collar occupations or office jobs, however. Both crafts and sales occupations also claim a significant proportion of these higher paying jobs, reflecting the relatively high wages paid for experienced, senior, skilled crafts workers, relatively high construction wages, and higher-paying jobs in sales/showrooms businesses.

Demographic Characteristics of the SOM/F Workforce

The demographic, job tenure, household characteristics, and residence patterns data presented in the following sections rely on the responses to the SOM/F Employee Survey questionnaire. Some types of businesses and workers are not represented in the survey sample. Of the business activities shown in Table 7, apparel manufacturing as well as on-site building maintenance and on-site construction are the largest groups that are not covered by the SOM/F Survey sample. The following descriptions of workforce characteristics would not apply to these workers if these groups are unlike the survey respondents. When relevant, the text describes how these workers might differ. [Note that the preceding descriptions of the occupation and wage/salary mix of jobs in the SOM/F Study Area include all of the business activity groups shown in Table 7, because both the results of the SOM/F Employer Survey and supplemental analyses for the business activities (such as apparel manufacturing, on-site building maintenance, and on-site construction) that are not represented in the survey sample were used.]

Summaries of the demographic characteristics describing the SOM/F workforce are presented in Table 21. Demographics are useful in describing the types of people who hold jobs in the Study Area. Comparison of the characteristics across business activities indicates some interesting variations in the types of people who tend to be employed in different businesses in the Study Area.

Most of the SOM/F workforce are aged 25 to 44 years; over 60 percent are within this 20 year age bracket. There are more men than women working in the Study Area. The workforce is predominantly (75 percent) white. Asians constitute about 10 percent of the workforce and blacks seven percent. About 11 percent of the Study Area workforce are of Spanish-origin. About one-fifth are foreign-born.

Office workers are fairly similar to the profile of the overall SOM/F workforce. They tend to be somewhat younger, and a higher proportion than in the overall workforce are women. The workers in office business activities are almost one-half men and one-half women; sales/distribution has a similar mix, and both of these business activities are quite different from services and manufacturing business activities. A somewhat lower than average percentage of the office workers are foreign born. Asians make up a larger than average share of the office workforce, while workers of Spanish origin constitute a lower than average share.

The youth of the workers in the service business activity is noteworthy; 45 percent are in the 25 to 34 age bracket, the highest percentage across all business activities. Two-thirds of the workers are men. These businesses employ the largest share of Asian and black workers, the lowest percentage of white workers, and the lowest percentage of foreign born workers.

The sales/distribution workforce, similar to the manufacturing workforce, is older than the average SOM/F workforce. Both business activities, however, also tend to employ a higher than average share of the very youngest workers, those under age 25. The ratio of men to women is similar to that for office, close to 50/50. The most notable distinction of the workers in sales/distribution businesses is the higher than average proportion who are foreign born (about 30 percent). From the description of race/ethnicity, it appears that most of these workers are of Spanish-origin, as the sales/distribution workforce shows the highest percentages in the "Other Race" and "Spanish origin" categories.

The workers in manufacturing activities tend to be older than average; one-quarter are aged 55 and over. They also are predominantly male; only one-fifth are women. A higher than average share are foreign born, although the manufacturing workforce shows the lowest percentage of Asian workers. Over 80 percent of the workers are white. (These results for the manufacturing business activities do not account for the approximately 600 workers in the apparel industry in the SOM/F Study Area. The demographic characteristics of this group of workers are likely to be significantly different than the average presented here from the responses of the manufacturing workers in the SOM/F Employee Survey.)

Job Tenure

Job tenure is a measure of the length of time an employee has worked continuously for the same employer (although not necessarily in the same occupation). Table 22 presents information on job tenure from the SOM/F Employee Survey. When interviewed at the end of 1982, about 17 percent of all Study Area workers had been on their jobs for one year or less. This provides an indication of the magnitude of job openings in the Study Area during 1982. At the same time, over half (52 percent) had worked for the same employer from two to 10 years, 22 percent from 11 to 20 years, and about 9 percent had worked for the same employer for more than 20 years. Overall, median years of job tenure were 4.6 years.

TABLE 21: DEMOGRAPHIC CHARACTERISTICS OF THE WORKFORCE IN THE SOM/F STUDY AREA, 1982

	Total SOM/F Workforce %	Workers by Business Activity			
		Office %	Services %	Sales/ Distribution %	Manufacturing %
<u>Age</u>					
Under 25	10.6	8	10	15	17
25-34	32.8	37	45	18	24
35-44	28.4	32	20	31	16
45-54	15.9	14	8	24	18
55 Plus	12.3	9	17	12	25
<u>Sex</u>					
Female	42.9	48	33	47	19
Male	57.1	52	67	53	81
<u>Foreign Born</u>					
Yes	19.5	15	14	31	25
No	80.5	85	86	69	75
<u>Race/Ethnicity</u>					
Asian	10.6	12	15	7	5
Black	7.3	8	16	1	7
White	73.7	75	67	73	82
Other	8.4	5	2	19	6
Spanish	11.2	8	8	18	12
Origin (a)					

NOTE: The information in the table describes those who work in the SOM/F Study Area. The data are the results of the 1982 SOM/F Employee Survey. Employee responses are tabulated by the business activity of their employer. The information is presented to highlight differences among groups. The overall pattern is more accurate than any one percentage.

The SOM/F Employee Survey sample did not include some business activities. Apparel manufacturing, on-site building maintenance, and on-site construction are the largest of the business activities shown in Table 7 that are not covered by the survey sample. The survey results reported in this table would not apply to these workers if they are unlike the survey respondents. When relevant, the text describes how these workers might differ.

(a) A question on Spanish origin was asked separate from the race question.

SOURCE: Recht Haustrath & Associates

TABLE 22: JOB TENURE CHARACTERISTICS OF THE WORKFORCE IN
THE SOM/F STUDY AREA, 1982

Length of Time at Present Employer	Workers By Business Activity				
	Total SOM/F Workforce	Office	Services	Sales/ Distribution	Manufacturing
Up to 1 year	16.8	11	25	22	18
2 - 10 years	52.4	54	50	49	57
11 - 20 years	22.3	28	19	17	12
More than 20 years	8.5	7	6	12	13
	100.0%	100%	100%	100%	100%
Median Years	4.6 yrs.	5.9 yrs.	2.9 yrs.	3.2 yrs.	5.4 yrs.

NOTE: This table reports the results of the 1982 SOM/F Employee Survey. Respondents were asked how long they had worked for their present employer at the time of the survey (late 1982).

Employee responses are tabulated by the business activity of the employer. The information is presented to highlight differences among groups. The overall pattern is more accurate than any one percentage.

SOURCE: Recht Haustrath & Associates

Job tenure varies by business activity. Workers in services and sales/distribution business activities have lower overall median years of job tenure and those in office and manufacturing businesses have higher overall tenure. In terms of the shortest tenure, those in services and sales/distribution activities have larger than average shares of workers who have been with their employers for one year or less. Regarding the longest job tenure, both sales/distribution and manufacturing businesses have larger than average shares of workers who have been with their employers for more than 20 years. The survey results for this group include respondents with job tenures of almost every length, from 21 to 61 years.

Job tenure is influenced by the demographic characteristics of the workforce, such as sex and age. For example, it is not surprising that young workers have the lowest levels of job tenure. Job tenure is also influenced by the businesses in the area and by whether they are growing or declining. Firms in growing industries usually hire new persons as they expand, thus showing lower levels of job tenure. Establishments which are stagnant or declining do not hire often and tend to let positions expire as they become vacant,

resulting in higher tenure for the remaining workforce. In addition, job tenure is influenced by the skill level of the workforce, in that persons in the more skilled positions tend to be less affected by short-term economic cycles (employers are less likely to lay off or fire those who are trained or more senior, as it costs more to replace them later). The differences in job tenure among business activities in the SOM/F Study Area reflect a combination of all of these factors.

Household Characteristics of the SOM/F Workforce

Table 23 summarizes SOM/F Survey results describing the household characteristics of the Study Area workers. The percentages in the table are percentages of workers in households with various characteristics. The percentages do not necessarily represent households. In other words, the information in the table is properly interpreted as: "44 percent of the SOM/F workforce live in households with incomes (in 1981) ranging from \$25,000 to \$49,999". An incorrect interpretation would be: "44 percent of the households of SOM/F workers have incomes (in 1981) ranging from \$25,000 to \$49,999".

The household incomes reported in Table 23 combine the wages and salaries of all workers in the household with income from other sources (pensions, investments, tips, etc.). The household income distributions for the SOM/F workforce are fairly similar across business activities. A higher than average percentage of both office and sales/distribution workers have 1981 household incomes of \$50,000 and above, with 24 percent and 28 percent of the workers in these income categories. Only 11 percent of workers in service business activities fall into these income groups, while 15 percent of manufacturing workers have household incomes in the highest category (five percent in the \$100,000 plus group). In the lowest household income categories (less than \$15,000), the workforce in service business activities stands out with a higher than average share (19 percent), the sales/distribution workforce has the lowest share (five percent), and both office and manufacturing are near the overall average for the Study Area workforce.

Household income alone cannot be interpreted as an indicator of the relative prosperity of workers in different business activities. The other household characteristics shown in this table provide some perspective on the type and size of household that the income supports. For example, workers with relatively low household incomes may not be worse off than those in higher income categories, if the lower income households are predominantly single, one-worker households and the higher income householder have one, two, or more workers supporting larger households with children and others who do not work.

One-third of the SOM/F workforce live in traditional couple households with children, while another third live as single-person households or as households of unrelated individuals. Single-person and unrelated-individual households are particularly prevalent among the workforce in service and sales/distribution business activities. The workforce in service business activities shows the lowest percentage of couple households with children and the highest percentage in households of two or more families. Office workers are generally typical of the overall average for the Study Area, although they have the highest percentage of single-person households and of couples without children. On the other hand, the household composition for the manufacturing

TABLE 23: HOUSEHOLD CHARACTERISTICS OF THE WORKFORCE IN
THE SOM/F STUDY AREA, 1982

	Total SOM/F Workforce	Workers By Business Activity			
		Office	Services	Sales/ Distribution	Manufacturing
1981	%	%	%	%	%
<u>Household Income</u>					
Less than \$12,000	4.3	5	7	3	2
\$12,000 - 14,999	6.7	7	12	2	9
\$15,000 - 24,999	22.5	23	26	19	23
\$25,000 - 49,999	44.3	41	44	48	51
\$50,000 - 74,999	13.8	17	5	16	6
\$75,000 - 99,999	5.4	5	3	8	4
\$100,000 Plus	3.0	2	3	4	5
<u>Household Composition</u>					
Single Individual	19.3	21	18	16	20
Unrelated Individuals	15.1	10	20	22	7
Couple-No children	17.6	22	13	13	20
Couple-With children	34.3	34	28	37	39
Single-Parent	5.7	7	7	3	6
Two or More Families	2.3	2	6	1	2
Other	5.7	4	8	8	6
<u>Workers Per Household</u>					
One	36.6	38	43	23	55
Two	46.1	50	32	55	31
Three or more	17.3	12	25	22	14

NOTE: The information presented in this table describes SOM/F workers (not worker households). This table reports the results of the 1982 SOM/F Employee Survey. Employee responses are tabulated by the business activity of the employer. The information is presented to highlight differences among groups. The overall pattern is more accurate than any one percentage.

The SOM/F Employee Survey sample did not include some business activities. Apparel manufacturing, on-site building maintenance, and on-site construction are the largest of the business activities shown in Table 7 that are not covered by the survey sample. The survey results reported in this table would not apply to these workers if they are unlike the survey respondents. When relevant, the text describes how these workers might differ.

SOURCE: Recht Haustrath & Associates

workforce is the most different from the overall average. Manufacturing workers show the highest percentage living in couple households with children, high percentages of couple households without children and of single-person households, as well as the lowest percentage of unrelated individual households.

Finally, comparison of workers per household across business activities completes the description of the SOM/F workforce according to their household characteristics. Overall, somewhat less than half of the workforce live in two-worker households. This varies significantly by business activity, with half or more of office and sales/distribution workers living in two-worker households, while only about one-third of services and manufacturing workers live in two-worker households. Service workers show the highest percentage in households with three or more workers (25 percent), while manufacturing workers show by far the largest percentage in households with one worker (55 percent).

Comparison between the overall distribution of the household incomes of SOM/F workers and their wages and salaries (Table 18) generally indicates that household incomes are higher than wages and salaries. This is expected, because, on average, more than half of the SOM/F workers live in households with at least one other worker.

Residence Patterns of the SOM/F Workforce

Residence patterns describe where all those who work in a certain place (the SOM/F Study Area in this case) live. Table 24 shows the overall distribution of workers by county of residence, as well as residence pattern distributions for the different business activities. Overall, 45 percent of the SOM/F workforce live in San Francisco. Alameda County ranks second with 15 percent of the workers, followed closely by San Mateo County with 14 percent. Both Contra Costa and Marin counties house about ten percent of the workforce. Relatively small shares of the workforce reside in the outlying counties.

These overall residence patterns vary by business activity. Office workers are fairly similar to the overall distribution described above, with a somewhat lower than average percentage living in San Francisco and higher than average shares in the suburban counties. The workforce in the service business activities is less dispersed. These workers show the highest percentage living in San Francisco (60 percent) and in Alameda County (18 percent). The residence pattern for the sale/distribution workforce is similar to the overall average for those living in San Francisco. There are somewhat higher than average shares in San Mateo and Marin counties. The workforce in manufacturing business activities shows the lowest percentage living in San Francisco, only about 30 percent. There are also lower than average shares in Alameda and Marin Counties, with notably higher than average percentages in Contra Costa and San Mateo counties.

As explained earlier, the Employee Survey results for manufacturing business activities do not account for workers in the apparel industry in the SOM/F Study Area. Although a relative small share of the other workers in the manufacturing group resides in San Francisco, most of the apparel workers are likely to live in the city. Since apparel workers are estimated to represent about 23 percent of SOM/F manufacturing employment, their significantly different residence patterns will affect the overall pattern for the total

TABLE 24: RESIDENCE PATTERNS OF THE WORKFORCE IN
THE SOM/F STUDY AREA, 1982

	Total SOM/F Workforce %	Workers By Business Activity			
		Office %	Services %	Sales/ Distribution %	Manufacturing %
<u>County of Residence</u>					
San Francisco	45.0	42	60	44	29
East Bay:					
Alameda	15.4	16	18	16	6
Contra Costa	10.1	11	4	8	26
Solano/Napa	1.2	1	2	1	Sm
South Bay:					
San Mateo	14.3	13	10	16	24
Santa Clara	2.2	3	0	2	7
North Bay:					
Marin	10.2	13	2	13	6
Sonoma	1.5	1	4	small	2
Other	0.1	small	0	0	0
Total	100.0%	100%	100%	100%	100%
<u>Residential Quadrant for San Francisco Residents(a)</u>					
Southeast	29.7	26	26	38	37
Southwest	41.3	46	42	33	43
Northwest	19.9	20	19	24	7
Northeast	9.1	8	13	5	13
Total	100.0%	100%	100%	100%	100%

NOTE: This table reports the results of the 1982 SOM/F Employee Survey. Employee responses are tabulated by the business activity of the employer. The information is presented to highlight differences among groups. The overall pattern is more accurate than any one percentage.

The SOM/F Employee Survey sample did not include some business activities. Apparel manufacturing, on-site building maintenance, and on-site construction are the largest of the business activities shown in Table 1 (Working Paper I) that are not covered by the survey sample. The survey results reported in this table would not apply to these workers if they are unlike the survey respondents. When relevant, the text describes how these workers might differ.

(a) See Figure 6 in appendix A the boundaries of the residential quadrants.

SOURCE: Recht Hausrath & Associates

manufacturing group. For example, if it is assumed that 90 percent of the apparel workers live in San Francisco, 42 percent (instead of the 29 percent shown in Table 24) of total manufacturing employees would live in San Francisco.

The residence patterns derived from the survey also do not include on-site building maintenance and construction workers. It would be reasonable to assume that the residence patterns of these workers are similar to the average pattern for the services group. If they were, about 60 percent of these workers would reside in San Francisco. The overall percentage of the total SOM/F workforce residing in San Francisco would increase if the apparel and on-site building maintenance and construction workers are included, but by only a small amount (from 45 to 46 percent).

Table 24 also shows the detailed residence patterns from the Employee Survey for the 45 percent of the SOM/F workforce who live in San Francisco. The city's neighborhoods have been grouped into four quadrants. (Figure 6 shows the boundaries of the quadrants.) The southern parts of the city house the majority of SOM/F workers (about 70 percent). Most (40 percent) live in the southwest, and 30 percent live in the southeast. About 20 percent of the workers live in the northwest quadrant and a relatively small percentage in the northeast. (The groups not included in the survey sample, as mentioned above, are not represented by this data.)

The distributions for the business activities follow this same general pattern. Across all business activities, close to 70 percent of the SOM/F workers living in San Francisco live in the southern parts of the city. Proportionally more of the sales/distribution and manufacturing workers live in the southeast quadrant. Larger than average shares of both services and manufacturing workers live in the northeast. Service business activities show a higher than average percentage of workers living in the northwest, while manufacturing shows the lowest percentage in this quadrant.

Observed differences in residence patterns among business activities reflect a combination of many interrelated factors. These include the occupational and wage/salary characteristics of the jobs held by workers in each group. They also include the demographic and household characteristics of the workers employed in the different jobs, as well as accessibility and the type of transportation available to the workers.

San Francisco Residents

This section focuses on the SOM/F workers who live in San Francisco. The previous section described how, overall, about 45 percent of the SOM/F workforce live in the city. This is about 12,000 workers, representing about three to four percent of the employed population of the city and about two percent of the total city population (using 1980 Census data).^{8/} The survey results indicate that about 45 percent of the SOM/F workers who live in the city work in office activities, about 25 percent work in service business activities, another 25 percent in sales/distribution activities, and five percent in manufacturing.

Table 25 shows selected characteristics of the SOM/F workers living in San Francisco and presents comparable data for C-3 District workers and all San Francisco residents. The data for C-3 District workers are from the 1981 C-3 District Employee Survey, and the data for all San Francisco residents are from the 1980 Census.

The table reveals some interesting differences among the groups. There are more men than women among the San Francisco residents working in the SOM/F Study Area. This is different from the situation in the population overall or among C-3 District workers who live in the city. A larger proportion of both SOM/F and C-3 District workers are white than in the population overall; the proportion is greatest among the SOM/F workers. Compared to C-3 District workers who live in San Francisco, a larger proportion of the SOM/F workers who live in the city are black, although the percentage is less than the overall percentage for the city. Whereas the C-3 District has a large share of Asian San Francisco residents, the SOM/F Study Area workforce shows a relatively small share in this group, compared to both the C-3 District workforce and the overall city population. The percentage of workers who live in the city and are of Spanish origin is relatively high in the SOM/F Study Area, especially in comparison to the composition of the C-3 District workforce. The median age across all groups is relatively similar, with SOM/F workers living in San Francisco somewhat older on average than the C-3 District workers living in the city. (The median age for the San Francisco population includes both the young and the old who are not likely to be employed.)

The differences in residential location within San Francisco are notable. The SOM/F workforce includes proportionally more who live in the southern parts of the city and proportionally less in the northern parts of the city. Compared to the population overall, there are relatively more SOM/F workers in the southwest quadrant and relatively more C-3 District workers in the northwest quadrant. (See the map in Appendix E showing the boundaries of the quadrants.)

Table 26 also focuses on SOM/F workers who live in San Francisco, presenting comparable data on the household characteristics of SOM/F and C-3 District workers who live in the city. On the whole, San Francisco residents working in the SOM/F Study Area live in higher income households than those working in the C-3 District. Household income is related to workers per household and other factors. Therefore, this conclusion does not necessarily imply that wages and salaries are higher on average in the SOM/F Study Area compared to the C-3 District. The distribution of workers among households of different types is fairly similar between the two groups. The greatest differences appear in the couples-with-children category (relatively more SOM/F workers live in these types of households), unrelated individuals and single parent households (relatively more C-3 District workers live in these types of households).

Factors Afecting Decision to Work in SOM/F Study Area

The SOM/F Employee Survey asked respondents to consider how a variety of factors influenced their decision to work in the SOM/F Study Area as opposed to somewhere else. Table 27 presents the survey results for all SOM/F workers. Not surprisingly, the fact that jobs were available or that a particular job sought by the workers was available rank highest in terms of

TABLE 25: CHARACTERISTICS OF CITY RESIDENTS WORKING IN THE
SOM/F STUDY AREA, THE C-3 DISTRICT, AND FOR ALL SAN
FRANCISCO RESIDENTS

	<u>SF Residents Working in SOM/F Study Area, 1982</u> %	<u>SF Residents Working in C-3 District, 1981</u> %	<u>All SF Residents, 1980</u> %
<u>Sex</u>			
Female	46.9	50.6	50.2
Male	53.1	49.4	49.8
<u>Race/Ethnicity</u>			
White	65.3	61.2	58.2
Black	9.6	4.8	12.7
Asian	14.6	29.4	21.3(a)
Other	10.5	4.6	7.8
Spanish Origin(b)	12.7	6.6	12.3
<u>Median Age</u>	35.4 yrs.	31.8 yrs.	34.1 yrs.
<u>Location Within San Francisco (c)</u>			
Southeast	29.7	14.6	27.2
Southwest	41.3	39.3	34.4
Northwest	19.9	31.9	23.7
Northeast	9.1	14.2	14.7

NOTE: The three data sources can be generally compared although they do not report data for the same years. The SOM/F workforce data are from the SOM/F Employee Survey conducted in 1982, and the C-3 District data are from the same survey administered in the C-3 district one year earlier. The data on San Francisco's population are from the 1980 Census. The Census data describe all residents, both those who work and those who do not work, while the survey data describe only those who both work and live in the city.

(a) Includes Japanese, Chinese, Filipino, Korean, Asian Indian and Vietnamese.

(b) Persons of Spanish origin may be of any race.

(c) See Figure 6 for the boundaries of the residential quadrants.

SOURCE: Recht Haurath & Associates

TABLE 26: COMPARISON OF HOUSEHOLD CHARACTERISTICS OF SOM/F
STUDY AREA WORKERS AND C-3 DISTRICT WORKERS LIVING
IN SAN FRANCISCO, 1981/1982

	SF Residents Working in SOM/F Study Area, 1982 %	SF Residents Working in C-3 District, 1981 %
1981		
<u>Household Income</u>		
Less than \$15,000	16.0	27.0
\$15,000 - 24,999	22.1	32.5
\$25,000 - 49,999	44.2	28.5
\$50,000 - 74,999	10.1	7.7
\$75,000 or more	7.6	4.3
<u>Household Composition</u>		
Single Person	28.0	30.2
Couple - No children	12.1	11.6
Couple - With Children	25.9	19.7
Single Parent	5.9	11.0
Unrelated Individuals	17.8	23.0
Other	10.3	4.5

NOTE: The data in this table represent the distribution of workers among households of different types, not the distribution of worker households. The SOM/F workforce data are from the SOM/F Employee Survey conducted in 1982, and the C-3 District data are from the same survey administered in the C-3 District one year earlier. Both surveys asked respondents to report their 1981 household income.

SOURCE: Recht Hausrath & Associates

TABLE 27: RELATIVE IMPORTANCE OF FACTORS WHICH INFLUENCED EMPLOYEE DECISIONS TO WORK IN SOM/F STUDY AREA AS OPPOSED TO ELSEWHERE IN THE BAY AREA

Factor	Percentage of Workers Viewing Each Factor as Being:			
	A Positive Influence	Neutral	A Negative Influence	Total
A. The prevailing wage/salary rates	61.0%	35.7%	3.3%	100.0%
B. The possibility of job advancement	51.2%	39.8%	9.0%	100.0%
C. The availability of jobs or the particular job in which you are now employed	77.2%	18.9%	3.9%	100.0%
D. The time and costs associated with the commute to work	36.2%	40.2%	23.6%	100.0%
E. The availability of public transit to and from your workplace	29.5%	49.4%	21.1%	100.0%
F. The availability and quality of eating places, shops and other retail and recreational services near your workplace	16.2%	50.7%	33.1%	100.0%
G. The degree to traffic congestion	16.7%	50.7%	32.6%	100.0%
H. Your compatibility with the people with whom you work	58.6%	35.2%	6.2%	100.0%

NOTE: This table can be read along two dimensions. The percentages across sum to 100 percent and indicate how the workers rated each factor: as a generally positive, negative, or neutral factor. Reading down, across factors, the relative magnitude of the percentages indicates a ranking of the factors in either positive or negative influence categories. Reading this way allows comparison of the strength with which one factor is viewed as positive (or negative) compared to other factors.

This table reports the results of the 1982 SOM/F Employee Survey.

SOURCE: Recht Hausrath & Associates

being positive factors in the decision to choose work in the SOM/F Study Area. This is reinforced by the prevailing wage and salary rate in the area which also appears as a positive inducement. Compatibility among fellow-workers also ranks high as a generally positive factor, suggesting that SOM/F workers are generally satisfied with their work situation and find people of similar or complementary interests in the area.

The factors rated the highest in terms of negative influence are the availability and quality of eating places, shops, and other retail and recreational services near the workplace, and the degree of traffic congestion. Apparently the availability and quality of services leaves something to be desired, and traffic congestin can be an inconvenience. The results also indicate, however, that these factors are not of much importance when people are choosing a job (half of the workers rank these as neutral factors). Commute factors (the time and cost associated with commuting to work, and the availability of public transit to and from the workplace) are the most evenly distributed across the positive, neutral and negative influence measures. In both, more rated these as positive factors than as negative.

J. BUSINESS SPACE TRENDS

Space Demand

Based on survey research, most of the SOM businesses are healthy and growing establishments. However, a significant number are outgrowing their space or are losing their space, as their lease expires, to higher rent-paying activities. There is a tremendous demand for small (less than 10,000 sq.ft.) industrial and commercial space in the SOM. This demand is from existing SOM businesses who wish to expand, from businesses leaving the higher rent North of Market business district, and from new businesses to the City.

Over time, vacant, commercially-zoned in-fill parcels within the SOM are expected to be developed to accommodate this demand. Most of these parcels are small, are in individual ownership, and are owned "free and clear". This makes it very economic to build 1 or 2 story industrial loft buildings (with parking) similar in design and scale to existing SOM buildings.

New buildings on in-fill parcels, although perhaps not in prime locations, are expected to compete favorably for tenants with existing commercial/industrial buildings. Over time, these older buildings will have to be brought up to present seismic and fire safety standards and will incur the additional occupancy costs associated with these improvements and will therefore charge higher rents but will not have the on-site parking that new buildings would offer. The cost of construction on in-fill parcels is comparable to the cost of rehabilitation of older industrial buildings. The new buildings with parking would have similar occupancy costs and would probably charge the same rental rates as rehabilitated older buildings without parking. If more intensive commercial or industrial activities were allowed to locate within the western SOM, parking congestion would increase and new buildings with parking would be expected to be favored by area businesses.

Present zoning controls allow development of four story commercial buildings with full lot coverage. The present 5 Floor Area Ratio (FAR) limit for industrially-zoned lands allows sufficient building area to accommodate the type of space required by SOM business service or industrial activities. Most industrial and business service activities use ground floor space with large and clear (column free) floor plans, require freight loading facilities at grade, and only use upper level space for storage or administrative office activities. Retail activities require ground floor, street frontage space for visibility and customer convenience. Wholesale distribution, showroom and warehouse activities use both ground level and upper level space, require large and clear floor plans, heavy load bearing floors, require freight elevators, and prefer natural lighting (large window spaces). Office activities are the most flexible in space use. They can use ground or upper level spaces, large or small floor plans, they prefer natural lighting and painted and finished wall and floor treatments. Present zoning height and FAR controls allow sufficient space to make new industrial/commercial development economically feasible. Parking requirements often prove expensive because SOM soils conditions make underground parking uneconomic and parking at grade consumes space which could otherwise be devoted to revenue-generating commercial activities. Nonetheless, on-site parking is essential to local businesses and the resulting space constraints are generally favorably accommodated by area businesses.

Because most SOM businesses do not use upper level space for production activities, buildings over 50 feet in height are unnecessary. This is fortunate because the Uniform Building Code requires much more stringent fire and seismic safety construction materials and measures for buildings over 50 feet, the cost of which is often 75% to 100% greater than for buildings less than 50 feet. Because of SOM soils conditions (mostly fill), mid-rise and highrise buildings require extensive ground preparation and expensive foundation materials in addition to the greater construction material requirements for buildings over 50 feet. Generally only class A office space or upper income housing can generate the kind of rents or prices that make this type of development economic. With the softening of the office market, particularly in the SOM, class A office development is not expected to take place in the western SOM, south of Mission Street, for the next 10 to 15 years. With the development of upper income housing in the eastern SOM and in other, more attractive neighborhoods throughout the City, this type of development is not expected to take place in the western SOM within the next 20 years, or beyond.

The most significant change in business activity in the western SOM could be an increase in professional service office activity and wholesale showroom activities. These activities are higher income-generating activities than business service or industrial tenants and can pay higher rents. They have, over the past 5 years, been outbidding industrial and residential tenants for available SOM space. This trend could continue in the near future, resulting in the gradual replacement of industrial activity by more intensive commercial activity. Unless major new parking facilities are provided, more intensive commercial activity, such as office or wholesale, would exacerbate existing parking congestion.

Because of the low vacancy rate for industrial space citywide (less than 5%), replacement space for displaced SOM businesses would, in the near term, prove a hardship and many firms would have to allocate a much greater percentage of their business revenues to shelter costs or would leave the City. However, because of the strength of the demand for industrial space, it can be expected that new industrial space would be developed within the next 5 years within the SOM and within other industrially-zoned areas of the City. The Mission Bay project is expected to provide some large floor space which can accommodate a number of back office, business service, manufacturing and wholesale/distribution activities. In addition, some large, vacant industrial buildings are presently being rehabilitated and subdivided, or demolished to make way for development of smaller industrial spaces for these types of businesses.

If, as a public policy, higher intensive commercial activities and higher rent-paying commercial activities were not allowed within the western SOM, the existing business service and industrial activities would be able to compete successfully amongst themselves or similar industry types for available space in the near term. Over time, these businesses would be expected to expand and remain in the area and would be able to pay somewhat higher rents for new or rehabilitated older buildings.

Overall, the demand for office space, wholesale showroom space, business service and industrial space, artist live/work space and nighttime entertainment space (bars, cabarets, dance halls, and performing arts theaters) is very strong within the SOM. Office and showroom tenants and nighttime entertainment establishments with liquor licenses are able to pay higher rents than the other tenants (about \$1.25/sq.ft.). Industry, artists and performing arts tenants are the most rent sensitive (\$.30-.60/sq.ft.). Artists and office tenants are the most flexible in the type of space they need -- although they are at the extreme opposite spectrum on rent paying ability. It appears that performing arts tenants and social service providers are the most rent sensitive (non-revenue generating) of all SOM business activities. In addition to being rent sensitive, social service providers are also location sensitive, having to locate within walking distance of the population they serve.

FOOTNOTES

- /1/ Source: South of Market Resident Survey, Department of City Planning, 1984. For research methodologies and findings on this survey, please refer to the South of Market Housing, Transportation and Open Space Needs Survey Report, December 1984, U.S. Human Resources Corporation, available at the Department of City Planning for review.
- /2/ Ibid
- /3/ Market Feasibility Study for Mortgage Revenue Bonds for the City and County of San Francisco, September 1984, issued by the Land Economics Groups for the City and County of San Francisco -- Mayor's Office of Housing and Economic Development.
- /4/ Quality of Environment Survey: A Working Paper, April 1969, San Francisco Department of City Planning.
- /5/ Housing Issues in the South of Market, December 1984, submitted to the Department of City Planning, City and County of San Francisco by Professor Marty Gellen, and graduate students Leslie Watson, Natalie Macris, Jeffrey Levin, Yu Ju R. Ho, and Maria Soledad Esteban Galarza of the Department of City and Regional Planning, University of California at Berkeley.
- /6/ Descriptions of the 1982 South of Market/Folsom study area employer/employee survey methodology and procedures can be reviewed at the Department of City Planning. Please refer to the following document: Economic Analysis for the South of Market Rezoning Study, Working Paper I, Economic Setting: Business, Employment and Land Use, February 4, 1985, and Working Paper II: Economic Setting: Job and Workforce Characteristics, February 18, 1985, submitted to the Department of City Planning by Recht Hausrath & Associates.
- /7/ Report on the 1984 South of Market Artist Live/Work Survey, March 1984, Department of City Planning.
- /8/ The estimate of the number of SOM/F workers living in San Francisco varies by about 1,000, depending on assumptions about the residence patterns of workers in business activities not included in the SOM/F Employee Survey sample (apparel manufacturing and on-site building maintenance and construction workers). The estimate for those workers represented by the survey data shows about 11,650 workers living in San Francisco. Adding to this group using assumptions for the other business activities, results in an estimate of 12,650 workers living in the City. The survey data presented in the rest of this section applies only to the 11,650 workers.

APPENDIX

TABLE 1:
EXISTING ZONING CONTROLS IN THE SOUTH OF MARKET

- C-3-G: Downtown General Commercial--retail, offices, hotels, entertainment, clubs and institutions, and high-density residential uses.
- C-3-R: Downtown Retail--comparison shopper retail activity and direct consumer services.
- C-3-S: Downtown Support--support functions for the intensive downtown office core area such as wholesaling, printing, building services and parking.
- C-3-O: Downtown Office--high density office activity serving finance and other corporate headquarters and service industries.
- C-M: Heavy Commercial--wholesaling and business services activities as well as some light manufacturing and processing.
- M-1: Light Industrial--light industrial/manufacturing/processing activities requiring large spaces, rail or water transportation access, large utility lines and usually dependent upon truck transportation.
- M-2: Heavy Industrial--heavy industrial/manufacturing/processing activities requiring large spaces and usually requiring screening or other physical separation from less intense commercial, industrial or residential activities.
- P: Public--Structures and uses of governmental agencies such as parks, open spaces, public utilities, governmental buildings, or land under public ownership.
- RH-2: Residential, Two-Family--districts primarily devoted to one-family and two-family houses, with the latter commonly consisting of two large flats.
- RH-3: Residential, Three-Family--districts similar to RH-2, but where structures with three units are common in addition to the one- and two-family houses. The predominant form is large flats rather than apartments.
- RM-1: Residential, Low Density--these districts contain a mixture of houses, flats and some small apartment buildings.
- RM-2: Residential, Moderate Density--these districts contain a mixture of houses, flats and small apartment buildings similar to that of the RM-1 district, however the overall density of units is greater as there are a larger proportion of smaller apartment buildings located within the district.
- RC-2: Residential-Commercial Combined, Moderate Density--these districts provide for a mixture of moderate-density dwellings similar to those in RM-2 districts with supporting commercial uses at ground floor levels.
- RC-3: Residential-Commercial Combined, Medium Density--these districts provide for a mixture of medium-density dwellings with supporting commercial uses at ground floor levels.

TABLE 2: SOUTH OF MARKET PLANNING CONTEXT - DEVELOPMENT POTENTIAL BASED ON ALLOWABLE ZONING,
BY SUBAREA (Building area in 1,000 gross sq.ft.)

ACTIVITY	SUBAREA						
		C-3 /1/	YBC	Rincon Point	Rincon Hill	South Beach	Mission Bay
Office	Data not available at date of printing	1,250		415	850	105.7	4,124.8
Retail		201		251	150	187.5	201
Transient Hotel		1,500 rooms /2/		300-400 rooms /2/	--	--	
Residential Hotel		--		--	--	--	
A-2	Cultural/Entertainment, Institutional, Other	277		--	--	--	
Research and Development		--		--	--	--	2600.9
Other Commercial/Industrial		216		--	--	--	
Residential	350-550 units		210-420 units		3,150 units	2,063 units	7,577 units
Open Space Land Area	data not available	435		32.5	213-415	257 plus 6 acres	19 acres
Parking		2,300 spaces	700-900 spaces	3,617-4,313 spaces		2,419 spaces	data not available

/1/ Exclusive of SUD area

/2/ Gross sq.ft. included in C-3 totals

TABLE 4: SOUTH OF MARKET RESIDENT POPULATION DEMOGRAPHIC CHARACTERISTICS

10,072 total population in 1980 plus artists, Southeast Asian and
 % of SOM surveyed population* Central American immigrants, and
 39% Filipino shelterless street people

33% White

10% Black

9% Chinese, SE Asians

7% Latin

(*excludes artists and street people)

	SOM	CCSF
average age	41.5 yrs.	38.7 yrs.
% less than 19 years	13.9%	19.6%
% over 65 years	28.9%	20.6%
% male	66%	
average household size	2.76	2.19
% one person household	70%	
% 3+ person household (Filipino 73%) (Latin 43%)	15%	
	SOM	CCSF
mobility (same house 5 years)	30%	48.5%
immigrants	15%	8%
median income	\$7,500	\$15,838
average income	\$8,984	\$20,546
% below S.F. med. income	80% in 1980--91% Asian 64% in 1984	57% White 92% Seniors 65% Latin 59% Filipino 80% Black
% below poverty level	29%	14%
% over 65 below poverty level	22%	28%
% households who can afford citywide median rents (1 bd./\$555/mo.)	25%	30%

# wage earners per household	SOM
0	30%
1	28%
2	28%
3+	14%
unemployment rate	14%
employed persons occupations	service workers laborer prof. tech.
	25% 19% 12%

TABLE 6: SOUTH OF MARKET (SOM) HOUSING AFFORDABILITY CHARACTERISTICS

Citywide annual median income for 4 person household:	\$34,000
Citywide annual median income for 1 person household:	\$23,800
Citywide annual median income - all households :	\$15,838
SOM annual median income - all households :	\$ 7,500

% one person households:	SOM 70%
% 3+ person households:	15%

Below very low income (\$0 - \$10,000/yr.)	
% of SOM households	70%

<u>very low income - one person households</u> (50% of median)/1/	
annual income standard	\$11,900
% SOM households	21%
affordable rental rate/mo./2/	297.
affordable sales price/3/	\$29,750

<u>Low income - one person households</u> (80% of median)	
annual income standard	\$19,040
% SOM households	6%
rental rate/mo.	\$ 476
sales price	\$47,600

<u>Moderate income - one person households</u> (120% of median)	
annual income standard	\$28,560
% SOM households	3%
rental rate	\$ 714
sales price	\$71,400

/1/ HUD guidelines

/2/ assumes 30% of gross income devoted to rent

/3/ assumes annual gross income times 2.5 as affordable sales price

TABLE 8: DESCRIPTION OF OFFICE BUSINESS ACTIVITIES IN THE SOM/F STUDY AREA

<u>OFFICE: administrative, information processing, and professional service functions in office space</u>	
Manufacturing and Mining	- general office functions: administrative and professional functions, data processing
Transportation, Communications, and Utilities (TCU)	- general office functions: administrative and professional functions, data processing - communications/broadcasting
Finance, Insurance, and Real Estate (FIRE)	- data processing functions - services: branch banking and professional services such as insurance and real estate brokers and other financial services
Retail Trade	- office support functions: data processing, accounting, personnel; some buyers
Wholesale Trade	- general or regional office functions of distributors, importers/exporters
Professional Services	- business and professional services including: graphic arts, design advertising planning, architecture, engineering, other consultants management consulting and training lawyers and accountants data processing services software companies emerging technology businesses (film and video, computer graphics, etc.) health, education, and non-profits in office space - unions: office functions and hiring halls
Government	- general office functions and professional services

NOTE: Businesses are categorized into business activity groups according to the primary function performed on-site. Thus, the business activities included in the office group (as identified in this table) are those which are primarily involved in administrative, information processing, and professional service functions. On-site office activities that are auxiliary or support to other primary functions (e.g. manufacturing, sales distribution) are not included in the office group, but are categorized according to the primary on-site function.

SOURCE: Recht Hausrath & Associates

TABLE 9: DESCRIPTION OF SERVICE BUSINESS ACTIVITIES IN THE SOM/F STUDY AREA

SERVICES: business functions that provide a service (not a product) and are located in other than office space

Construction and Related Services	- general business functions of construction companies and special trade contractors, often including storage of equipment and supplies, and on-site construction or assembly of some items (e.g. partitions)
Transportation, Communications, and Freight and Warehousing Services	- parcel/package delivery, mail delivery/post office, and ground and air couriers - freight transportation and warehousing
Repair, Auto, Building and Other Services	- terminal and service facilities for passenger transportation including SP station, taxicab fleet facility, and bus maintenance facilities.
Social Services	- repair services for equipment, appliances, elevators, etc. - motor vehicle services including painting, body work, and other repair - services to buildings such as janitorial and guard services - other services provided by photo processing plants, dry cleaning plants, equipment rental agencies, etc. - community facilities providing social services such as fire stations, schools and daycare centers, and health clinics

NOTE: Businesses are categorized into business activity groups according to the primary function performed on-site. Thus, all of the employment and space of a business primarily engaged in the service functions identified in this table are included in the service business activity group. For example, employment in on-site office activities that are auxiliary to the primary service function would be included in the total employment for service business activities and not in the total for office business activities.

SOURCE: Recht Hausrath & Associates

TABLE 10: DESCRIPTION OF SALES/DISTRIBUTION BUSINESS ACTIVITIES IN THE
SOM/F STUDY AREA

SALES/DISTRIBUTION: sales, display, and warehouse and delivery functions

Sales and Showrooms	- wholesale and retail sales and display functions possibly with some on-site warehouse, including: furniture, carpets, fabrics office supplies, stationery data processing/office equipment apparel/factory outlets miscellaneous goods and supplies gasoline and motor vehicle parts, flower mart
Distribution	- warehouse and delivery including: food products non-food products to grocery and drug stores wine, spirits, and other beverages industrial supplies and equipment electrical parts and equipment films apparel and general merchandise

Convenience Retail, Eating & Drinking, Entertainment/Recreation, Lodging (a)

Convenience retail including grocery stores, other local-serving retail, and personal services such as barber shops

Restaurants, bars, nightclubs, and theaters

Recreation, sports, and health clubs

Motels and hotels

NOTE: Businesses are categorized into business activity groups according to the primary function performed on-site.

- (a) In many of the tables for this report, data for these activities are combined with the data for the sales/showrooms and distribution activities to make up the sales/distribution major group. This is necessitated by the sampling scheme for the SOM/F Employer and Employee Surveys whereby the sample was selected to be representative of four major groups. These activities were not separately identified as one of those major groups. As explained in the text, employment in these activities represents a relatively small percentage of the total employment estimated for the sales/distribution major group.

SOURCE: Recht Hausrath & Associates

TABLE 11: DESCRIPTION OF MANUFACTURING BUSINESS ACTIVITIES IN THE
SOM/F STUDY AREA

MANUFACTURING: business functions that produce a product on-site, including production, processing, and printing functions in industrial space

- printing, photography and related
- food products
- primary and fabricated metals and machinery
- electrical components and equipment
- apparel and related
- other manufacturing including:
 - furniture
 - art workshops for painting, sculpture, theatrical props, etc., excluding home studios (treated as residential uses)
 - film production and sound studios

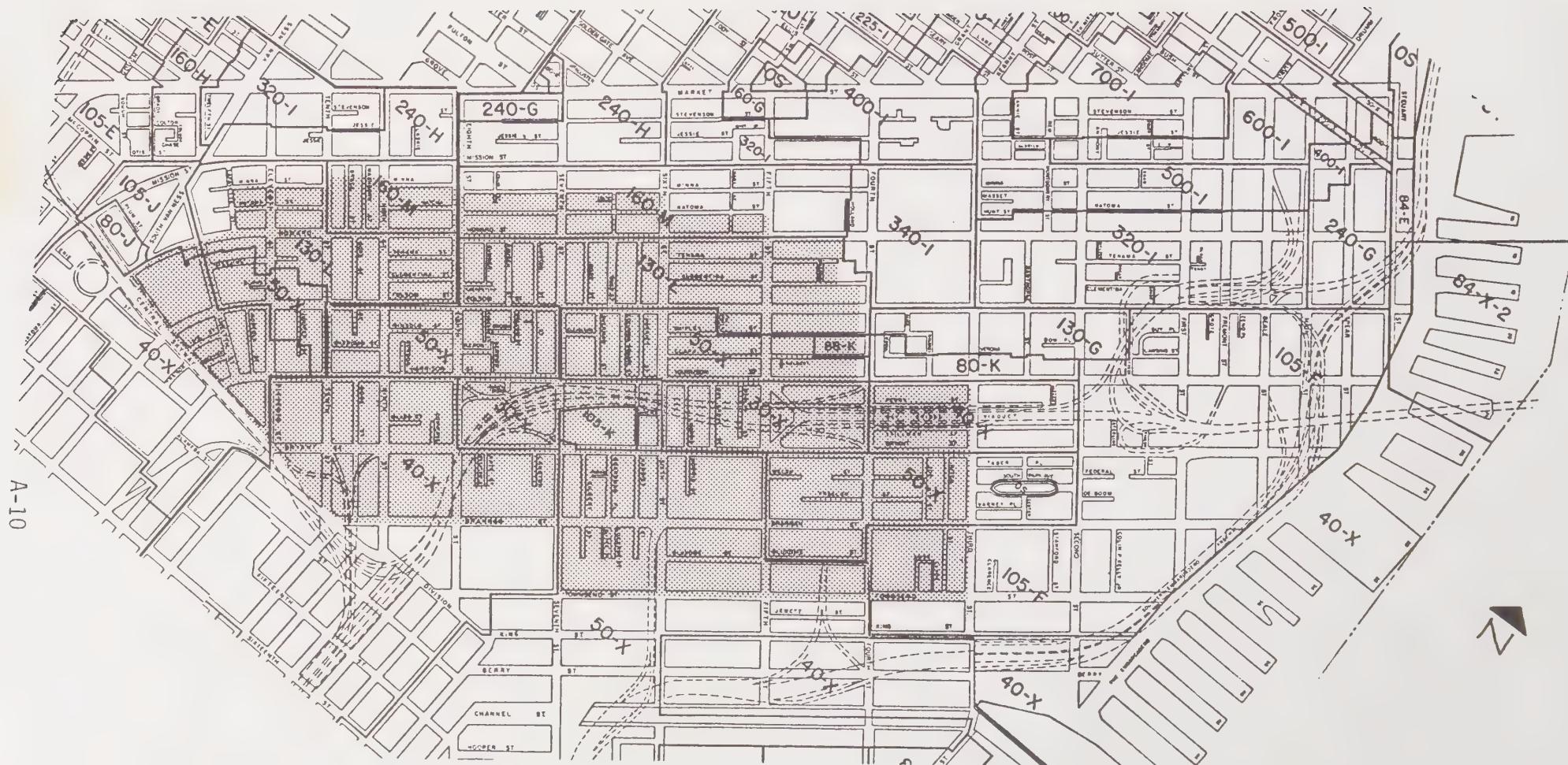
NOTE: Businesses are categorized into business activity groups according to the primary function performed on-site. Thus, all of the employment and space of a business engaged in the manufacturing activities described above are included in the manufacturing business activity group even though the business might include some auxiliary office, service, or sales activities on-site.

SOURCE: Recht Haurath & Associates

TABLE 19: DESCRIPTION OF OCCUPATION CATEGORIES

The occupation categories used in this analysis are those used by the U.S. Census which are based on the Standard Occupational Classification system. The eight major categories are presented below with examples to describe the types of jobs classified in each group.

- Professional, technical or similar worker: accountant, architect, computer specialist, writer, lawyer, social worker, performing artist, medical personnel, labor or personnel relations.
 - Manager or Administrator: bank officer or financial manager, buyer or shipper, or any type of office, personnel or sales manager.
 - Clerical or similar worker: bank teller, counter clerk, bookkeeper, administrative assistant, vehicle dispatcher, receptionist or secretary, typist or keypunch operator.
 - Crafts or similar worker: carpenter, printer, electrician, mechanic or automobile repair.
 - Operative or similar worker: clothing presser, dressmaker, service station attendant, machine operator, delivery person, truck or bus driver.
 - Sales worker: real estate agent or broker, sales clerk, insurance, stocks or bond seller.
 - Service worker: cleaner, janitor, waiter or waitress, cook, police or detective.
 - Other non-farm labor: service station attendant, freight mover, packer, or stock handler.
-



South of Market

EXISTING HEIGHT LIMITS

STUDY AREA

FIGURE 3

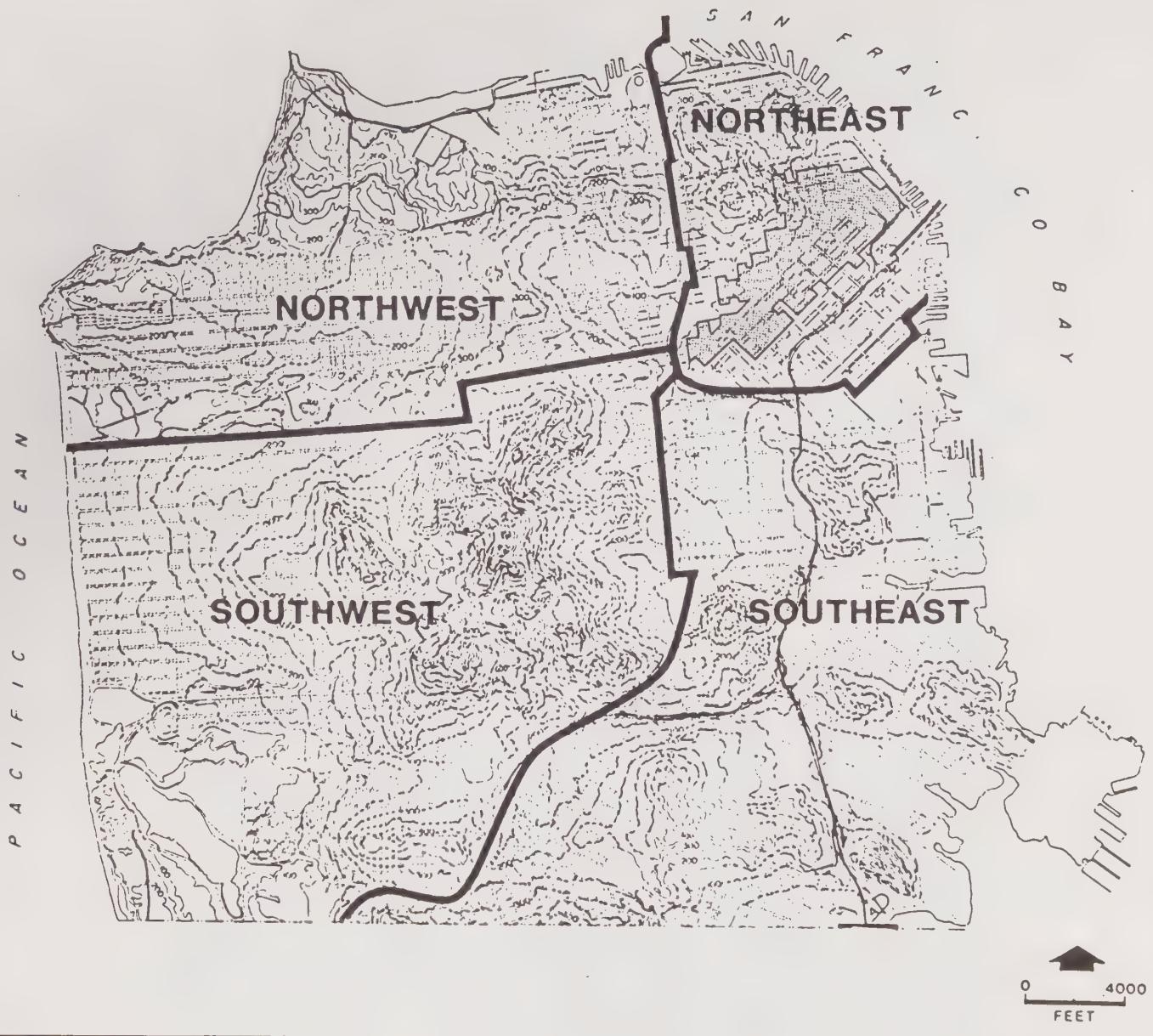
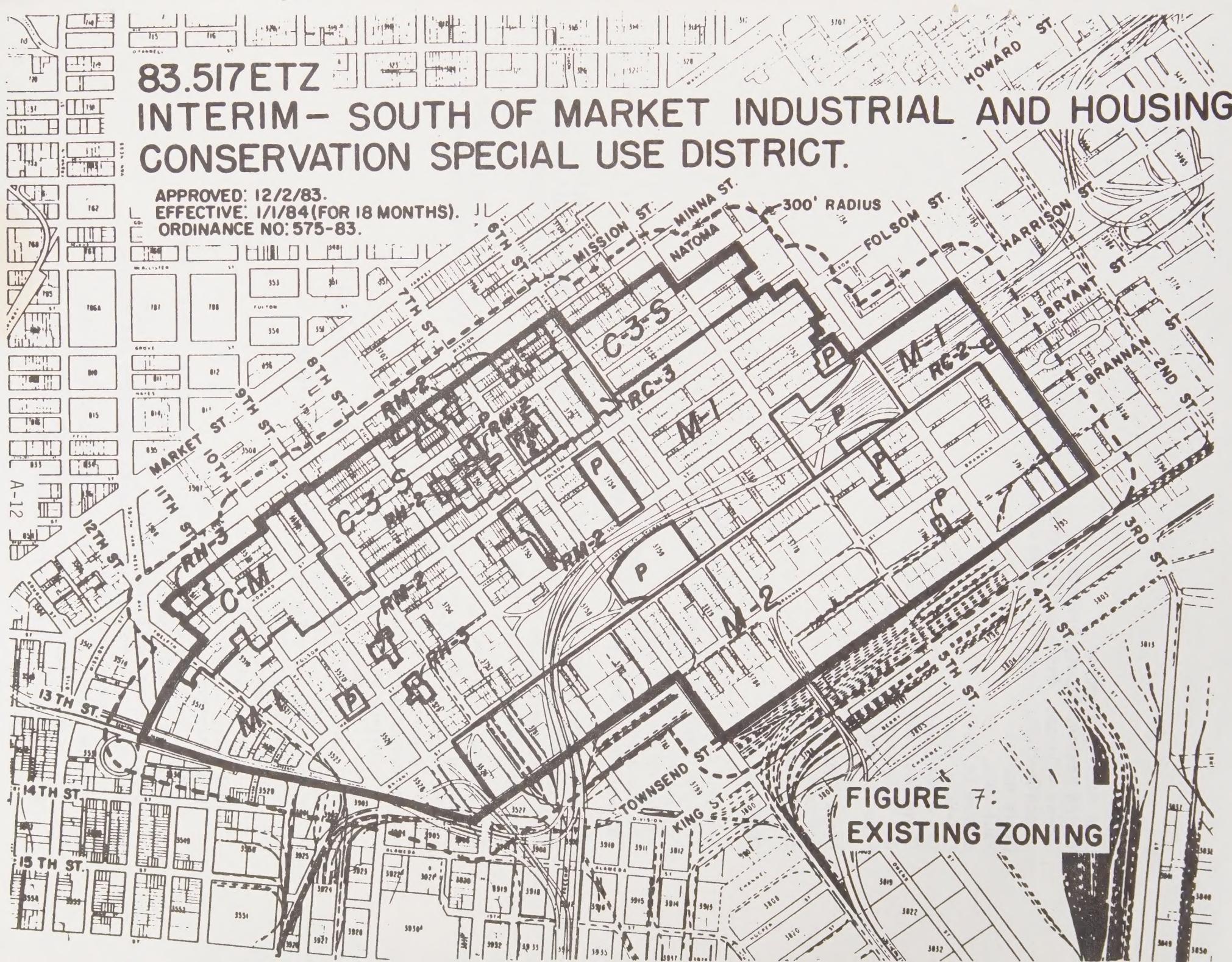


FIGURE 6 : RESIDENTIAL QUADRANTS IN SAN FRANCISCO

83.5I7ETZ
**INTERIM - SOUTH OF MARKET INDUSTRIAL AND HOUSING
CONSERVATION SPECIAL USE DISTRICT.**

APPROVED: 12/2/83.
EFFECTIVE: 1/1/84 (FOR 18 MONTHS).
ORDINANCE NO: 575-83.



CREDITS

Dean Macris, Director

Milton Edelin, Deputy Director

George Williams, Assistant Director, Plans and Programs

Susana Montaña, South of Market Rezoning Study, Project Manager

Lilia Medina

Paul Lord

Eugene Coleman

Chi-Hsin Shao

Eva Liebermann

Steve Shotland

Jim McCormick

Fred Stuprich

Cathy Tang

Janice King

Irene Cheng-Tam

PHOTO CREDITS:

(1) José Letelier of Mission Grafica

(2) Leon Sugarman of Kaplan, McLaughlin, Diaz

(3) Susana Montaña, DCP

(4) Larry Badiner, DCP

(5) Bob Roberts, Hampton-Roberts Properties

(6) California Historical Society, San Francisco

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Development and Services

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Mini Rabinovich, Rabinovich Foundation



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